

<b>Title of report</b>	Audit and Assurance Committee report to Council
<b>Public</b>	Public
<b>Summary/purpose of report</b>	To make recommendations from the Audit and Assurance Committee
<b>Recommendations</b>	<p>The Committee recommends that:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. the Council notes that Committee <ol style="list-style-type: none"> <li>a. recommends to Council approval of the Risk Register at Appendix 2</li> <li>b. recommends to Council that the Risk Register is reviewed quarterly at each Committee meeting and that the risk appetite is reviewed annually</li> <li>c. noted the internal audit report on Future Proofing Programme phase 3 will be submitted to the April meeting of the Committee</li> <li>d. approved the Draft Strategic Internal Audit Plan 2025 to 2028</li> <li>e. approved the Draft External Audit plan for 2024/25</li> <li>f. noted future arrangements for reporting on benefits realisation.</li> </ol> </li> </ol>
<b>Author</b>	Lindsay MacDonald, Chair, Audit and Assurance Committee
<b>Link to Strategic Plan</b>	<p>The information in this report links to:</p> <p>Outcome 1: <b>Trusted</b> People who use services are protected by a workforce that is fit to practise.</p> <p>Outcome 2: <b>Skilled</b> Our work supports the workforce to deliver high standards of professional practice.</p>

	<p>Outcome 3: <b>Confident</b> Our work enhances the confidence, competence and wellbeing of the workforce.</p> <p>Outcome 4: <b>Valued</b> The social work, social care and children and young people workforce is valued for the difference it makes to people’s lives.</p>
<b>Link to Risk Register</b>	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
<b>Impact Assessments</b>	An Impact Assessment (IA) was not required.
<b>Documents attached</b>	<p>Appendix 1 - Assurance report at 31 December 2024</p> <p>Appendix 2 - Risk Register as at 31 December 2024</p> <p>Appendix 3 - Risk Appetite Statement</p> <p>Appendix 4 - Assurance Map as 31 December 2024</p>
<b>Background papers</b>	<a href="#"><u>Draft minutes of Audit and Assurance Committee of 4 February 2025</u></a>

## **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 business and any recommendations of the matters of the Audit and Assurance Committee to SSSC Council following the Committee's meeting on 4 February 2025.

## **ASSURANCE REPORT**

3. The Committee reviewed the assurance report as of 31 December 2024 relating to the activities of the SSSC. Appendix 1 to this report is the assurance report considered by the Committee.

### **Finance**

4. Committee noted payroll savings for the nine months to 31 December 2024 was £569k. Staff costs remain at 80% of expenditure. Committee noted that accommodation costs were reduced from previous years due to the reduction in office space.
5. The Committee also discussed and accepted the direction from Scottish Government that, where possible, reserves should be used to reduce spending pressure, leaving the reserves at 5.9% at the year end. This is above the percentage set, internally, some years ago, but this will be reviewed during budget setting process for 2025/26.

### **Strategic Performance Indicators**

6. Committee discussed the change to the reporting of the statistic at SPI 2.1 and this led to discussion about whether the Committee wished to see an additional statistic, perhaps a rolling month-to-month projection.
7. Committee also received an explanation for SPI 2.2 tracking amber whereas it had previously tracked green and Members asked if further information on the reasons for the extended time for some hearings can be reported.
8. Committee also noted that the new structure of the Register will reduce the risk of workers leaving the register in order to register on another part.
9. Committee noted the positive outcomes following data taken from registrants' surveys and the annual declarations.

## **HR data**

10. Committee discussed the long-term sickness absences and noted that benchmarking and noted that the threshold for 'long term' is 4 weeks and over and that a number of processes were in place to manage the current levels and also that there were no trends noted.
11. Committee also noted the staff turnover statistic and it was agreed that more relevant benchmarking was required for accurate comparisons against similar types of workforce.
12. Committee took assurance from the information contained in the reports and verbally provided that appropriate action was being taken by management to manage the staff absences and also to research more accurate benchmarking.

## **Risk Register**

13. Committee reviewed the Risk Register position as at 31 December 2024 and noted the recommendation to reduce risks 5 and 6 and also to review the level of risks 1 and 2 with a view to reducing these taking into account the positive internal audit reports.
14. Committee took assurance from the recommendations that management is closely monitoring the risk register and making appropriate recommendations to Members.

## **Assurance Map**

15. Members reviewed the Assurance Map as at 31 December 2024.

## **AUDIT REPORTS**

16. The Committee was presented with the following audit reports from Henderson Loggie:  
  
Qualification Assessment  
Compliance with Legislation  
Internal Audit Progress report
17. Both Qualification Assessment and Compliance with Legislation reports provided a good level of assurance with one recommendation in the latter.
18. The follow-up review provided detail on the progress against the 2024/25 audit plan. It was noted that the Future Proofing Programme – Phase 3 would be presented to the Committee in April, the timetabling of the fieldwork having overrun the original schedule.

19. The Committee reviewed the internal/external audit tracker.
20. The Committee took assurances from the auditor's reports and the management's tracker on completion of recommendations and congratulated those involved in positive reports throughout the year.

#### **DRAFT STRATEGIC INTERNAL AUDIT PLAN**

21. After noting that the plan was prepared taking various documents and procedures into account, the Committee reviewed and approved the draft Strategic Internal Audit Plan for 2025-2028.

#### **DRAFT EXTERNAL AUDIT PLAN**

22. Deloitte presented the external audit plan for 2024/25 to Committee. It was noted that the timeline was in place and there were no issues or difficulties anticipated in meeting the schedule.

#### **FUTURE PROOFING PROGRAMME NOTIFICATION ISSUE UPDATE**

23. The Committee took assurance from the update that appropriate steps are being taken to resolve the issue which had been well managed. As a result of this, the budget ringfenced to compensate for this issue was reduced by a significant amount.

#### **RISK REGISTER AND APPETITE STATEMENT REVIEW**

24. The Committee reviewed the Risk Register and acknowledged that, as a matter of practice, it is reviewed at each quarterly meeting of the Committee. The Committee also considered the Risk Appetite Statement and agreed that this should continue to be reviewed annually. Committee welcomed the suggestion that a development session on risk appetite be held in the afternoon of 19 March 2025 (following the joint meeting with the board of the Care Inspectorate that morning) and the Committee will review the Statement at its next meeting and thereafter make a recommendation to Council.
25. The Committee recommends approval of the Risk Register to Council and that it be reviewed on a quarterly basis at Committee and that the Risk Appetite Statement continue to be reviewed annually but that no recommendation be made to Council until the first meeting after the development session scheduled for 19 March 2025.

## **BENEFITS REALISATION REPORT JULY - DECEMBER 2024**

26. The Committee noted and endorsed the benefits realised from digital projects between July and December 2024. Committee discussed the future reporting of digital projects and noted these would be reported regularly through the Digital Sponsor Group and annually to Council.

## **CONSULTATION**

27. No specific stakeholder engagement was necessary in the preparation of this report as this forms a summary of the matters discussed at the Audit and Assurance Committee earlier in the meetings cycle.

## **RISKS**

28. 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**

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

### **Compliance**

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

## **IMPACT ASSESSMENT (IA)**

31. An IA was not necessary as this report relates to internal governance matters.

## **CONCLUSION**

32. 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.
33. The Committee requests that Council takes assurance, following consideration of the documents, that the Committee has been presented with a fair view of the operational and financial performance and risks facing the SSSC.