

Audit and Risk Committee

Minutes of meeting

Date: 05/04/2016

Time: 1300 - 1600

Location: Large Meeting Room, Denholm House, Livingston

1. Apologies/welcome*

Present:

Kate Dunlop (Chair)

Mike Ewart

Apologies:

Moi Ali

Linn Phipps

Alan Armstrong

Graeme Logan

In attendance:

Lesley Brown

Laura Burman

Alastair Delaney

Maureen Gore

Gillian Howells

Ross Hubert

Bill Maxwell

Kate Moffat

Jim Montgomery

Laura Nelson

Stuart Robinson

Daniel Waddell (secretariat)

Welcome to Ross Hubert from Audit Scotland who will be taking over from Laura Nelson who begins maternity leave soon. Also welcome to Kate Moffat from internal audit who will be joining Jim Montgomery at future meetings.

2. Minutes of previous meeting and action log 2 December 2015

Agreed: minutes were approved.

3. Declarations/register of interest

Agreed: minutes were approved

Items for discussion

4. Internal Audit

- Noted 1: Draft Certificate of Assurance has been sent to managers for review. Internal audit of grant funding has been complete with governance audit currently underway. Internal Audit have had no challenges when requesting information and maintain a good working relationship with Education Scotland.
- Noted 2: The Internal Audit strategic review highlights three broad areas of improvement for Internal Audit. Newly appointed Internal Audit Director has taken up post. Resources have been expanded and ring-fenced to manage the increase workload from European work which can incur heavy fines if not completed properly.
- Noted 3: Financial provision is under close scrutiny and review. Short-term requirement has been approved with medium/long term financial plans still to be approved.

5. External Audit

- Noted 1: Timetable for financial statements audit presented in the annual audit plan with sign off of this expected by the end of June. Key issues and risks for 2015/16 highlighted in the plan as well as significant audit risks in appendix 2. SWAN risk was discussed.
- Noted 2: Audit Scotland are currently undergoing a 5 year audit rotation review. This involves outsourcing customers to external companies where suitable.

6. Finance Report

- Noted 1: Summary of overall picture of last year's budget. Part of the underspend was used to complete the VC upgrade project, leaving an underspend of approximately £170,000. Assurance was given on how Education Scotland handled the extra money from the Scottish Government
- Noted 2: Tribute to all the people that have worked on the budget and coming so close to forecasted budget.

7. Look ahead 2016/17: budget

Noted 1: Reduction of £1.5 million from previous year on top of additional pressures such as an increase to National Insurance. ADs have been heavily involved in the planning of the 2016/17 budget. This has forced staff to think more creatively due to the lack of resources.

Noted 2: Savings have been made across a range of areas including temporary staffing to develop a balanced budget for the forthcoming year

8. Look ahead 2016/17: business plan

Noted 1: ADs worked well throughout the planning process with the 9 priority programmes agreed in January. Detailed planning in some areas is still to be finalised as specific skill requirements have still to be resourced. The full business plan will be ready for the end of April. The plan will be flexible and adaptable to business requirement but no resource available for unplanned work.

Noted 2: Contingency is still built in for Inspectors alongside learning and development time for all staff. Line management for staff remains the same for ADs that have moved to a different programme to provide continuity at a time of significant change.

Action 1: Comms to remind staff that with the recent restructuring of the organisation line management has not changed.

9. Corporate Risk

Action 2: Risk management approach workshop to be arranged to explore the best way/system.

Action 3: Maureen Gore to provide a paper on how to approach risk management.

Noted 1: The risk register doesn't reflect the true challenges of what has happened. A process is to be put in place to capture the whole story of what is going on.

Noted 2: CR4 to be interrogated at the next meeting.

Items for noting

10. Health and safety report

Noted 1: A new person has been appointed as Facilities Manager and will take up post on 18 April.

11. AOB

Action 4: Audit Scotland schools audit report to be sent to attendees.

Action 5: Lesley Brown to provide a paper on local authorities at June's Management Board.

No other business was discussed. The next meeting of the group will be held 7 June, Boardroom, Optima