

Meeting of the Audit and Risk Committee

A meeting of the Audit and Risk Committee was held on Monday 14 September at 10.30 am in the Boardroom, Denholm House.

1. Apologies/welcome*

Members present:

Kate Dunlop (Chair)
Linn Phipps
Mike Ewart
Moi Ali

Education Scotland attendees:

Bill Maxwell
Graeme Logan
Lesley Brown
Alan Armstrong
Juliet McAlpine
Linda Rae
Patricia Lewis
Gillian Howells
Stuart Robinson

Audit attendees:

Jim Montgomery (Internal Auditor)
Mark Ferris (External Auditor)

Paul Johnston, DG Learning and Justice

Apologies:

Alastair Delaney

Kate welcomed Juliet McAlpine and Paul Johnston to the meeting.

2. Minute of previous meeting and action log*

Noted 1: One slight change to the minute was required, at Agenda item 11, Noted 1. Typing error to be corrected.

Agreed: Following the above correction, the minute was approved as an accurate record of the meeting.

Noted 2: All items in the Action Log are complete.

3. Matters arising*

Noted 1: The Committee members would like to see a forward plan of actions from Internal Audit and would be happy to be consulted on those actions. It was agreed that they could be used to facilitate meetings or be used instead of external consultants.

Action 1: Internal Audit to provide a forward plan of actions for the next meeting.

Action 2: Non Executive Directors to be invited to an 'Away Day' to give full and robust consideration to the strategic direction of the Agency. Action: Linda to set up meeting.

Action 3: Non Executive Directors to be invited to the meeting where risks are being interrogated. Action: Patricia Lewis.

Noted 2: The Self-Evaluation of both the Management Board and Audit and Risk Committee is to be carried out towards the end of March 2016, in line with the recruitment of NXDs in June 2016.

Action 4: Non Executive Directors were very interested in the Audit Scotland report on school education and would like a fuller discussion on this topic at the next meeting. Action: Linda to add to agenda.

4. Declaration of interest*

Noted 1: There were no declarations of interest.

Items for discussion

5. Internal Audit

5.1 Progress Report

Noted 1: Jim Montgomery had met with Alastair Delaney and Stuart Robinson. They had identified a need to re-focus the internal audit plan for the year towards corporate governance and organisational development issues.

Agreed: It was agreed to re-focus the proposals for the internal audit coverage in 2015/16.

Noted 2: Certificates of assurance work – Internal Audit will work alongside Education Scotland to challenge and test the statements and assertions that are made in completing the 2015/16 CoAs.

- Noted 3: Internal audit will look to support the on-going development and delivery of the transformational change programme which is vital in enabling successful delivery of front line ES services.
- Noted 4: Alastair sees the Organisational Review plan as one with significant risk and would welcome the role of internal audit as a 'critical friend'.
- Noted 5: There were no key risks noted on the cover sheet and this was mentioned. Jim agreed that there were clearly a number of key risks alluded to in the body of the paper itself and these should have been noted on the cover sheet.
- Noted 6: ES management were encouraged to use the work around assurance mapping as a management tool going forward.
- Noted 7: Kate commended Jim for the paper submitted and noted the substantive progress being made.

6. External Audit*

6.1 Progress Report

- Noted 1: Mark had provided a brief progress report, which noted that the 2014/15 audit is now complete. The accounts were signed on 15 June and the accounts were laid in parliament on 6 July.
- Noted 2: Planning of audit work for 2015/16 would commence later in the year and Mark would anticipate completing the annual audit plan by 30 November. The plan of audit work will be tabled at the December meeting.

7. Independent Schools

- Noted 1: Lesley Brown tabled a paper on the transfer of the function of the Registrar of Independent Schools to Education Scotland and the appointment of Denise Brock to this role. This function has moved to Lesley Brown in Families, Inclusion and Local Authorities.
- Noted 2: The paper sets out the responsibilities, including the post of Registrar, and the specific risks. The function of the role is to report directly to ministers.
- Noted 3: One risk will be the need for care around press and media, given Denise Brock's role as Head of Comms. One further risk is in relation to knowledge and expertise which was in Scottish Government, which didn't transfer to ES.

Noted 4: Kate commended Lesley for the paper and cover sheet.

8. Corporate Performance Report

Noted 1: The Corporate Performance Report provides a monthly update for the organisation as a whole. The report is generated from updates from project leads, on milestones, risk, finance and resources. It is reviewed at Assistant Director and Directorate level before the consolidated report is submitted to CMG on a monthly basis. The report tabled was to July 2015.

Noted 2: More information in the risk box of the cover sheet was requested.

Noted 3: There was discussion on each of the Directorates, with a particular discussion on the Scottish Attainment Challenge. Significant progress has been made in this area but this work will need to be mainstreamed into the functions of Education Scotland.

Noted 4: Eighteen part time Attainment Advisors will be drawn from existing ES staff. This requires a significant re-balance of activities.

9. Finance Report and Mid-year Forecast

Noted 1: A significant exercise had been undertaken to re-prioritise work across the organisation to accommodate the Scottish Attainment Challenge. Decisions had to be made around stopping work that was planned. Concrete proposals had been submitted to the Executive Team which brought the budget close to balancing point.

Noted 2: The Committee asked to see the list of work which is being stopped.

Action: List of work being stopped and the risks of those decisions to be tabled at next meeting. Action: Stuart to provide a paper.

10. Corporate Risk

10.1 Risk Register

Noted 1: Patricia tabled the Corporate Risk Register and advised that the process around risk management was being considered. A Programme Manager has been appointed with special responsibility for the risk process.

Noted 2: In the Risk register, nothing in terms of score has changed, but a new risk, Risk 9, has been added. This represents work coming from Learning Directorate.

10.2 Interrogation of Risk CR2

Noted 1: Linda tabled a paper which was the result of an exercise to interrogate Risk CR2.

Noted 2: As a result of the meeting, it was agreed to review the stakeholder map, review senior link responsibilities, review the choreography of meetings and ensure that stakeholders are engaged with the new Corporate Plan. Lesley Brown is the owner of risk CR2 and will take this work forward.

Items for noting

11. Health and Safety Report

Noted 1: There have been three incidents since the last meeting of the Audit and Risk Committee. These are:

- Six suspicious packages were received at Denholm House and handed over to SG security.
- A member of the public gained unauthorised access to the second floor of Denholm House.
- A minor incident occurred when a member of staff was picking up a hire car.

12. Any Other Business

Education and Culture Committee

Noted 1: Bill and Alastair had been invited to give evidence to the Education and Culture Committee on 26 October.

Noted 2: Preparations were being made for the session.

13. Date of next meeting*

Kate closed the meeting by thanking all of those present.

The next meeting is scheduled to take place on Wednesday 2nd December at 9.30 am in Denholm House, Livingston.