

# Audit and Risk Committee

## Minutes of meeting

Date: 13/12/2016  
Time: 10:00 to 13:00  
Location: Boardroom, Denholm House

### 1. Welcome / Apologies\*

**Members:**

Kate Dunlop (Chair)  
Linn Phipps  
Mike Ewart  
Moi Ali

**Apologies:**

Graeme Logan  
Kerry Nelson

**Attendees:**

Bill Maxwell  
Alastair Delaney  
Alan Armstrong  
Lesley Brown  
Stuart Robinson  
Gillian Howells  
Roz McCracken  
Dave Richardson  
Kate Moffat  
Iain Burns  
Tracy McIntyre

**Minutes:**

Anne Whyte

The Chair welcomed all to the Audit & Risk Committee and noted apologies for those unable to attend. Welcome extended to Tracy McIntyre (Director of Disclosure Services) attending as an observer and Iain Burns, the new Internal Audit Senior Audit Manager.

### 2. Minutes of previous meeting and action log: 16 September 2016

The Chair sought approval from the Committee to previous minutes. These were agreed subject to an amendment to para 7:

Item 7 (Corporate risk) Noted 3 – Committee felt there is need to look at devising a new Risk Register. It was agreed that Roz McCracken would arrange a management board session to develop a Risk Register that better reflects the risks currently facing the agency.

**Action: Roz McCracken to arrange a board session to develop a new Risk Register.**

**Action Log:**

Discussed and following points made:

1 – 07/06/16. Agreed Roz McCracken would produce paper for consideration, around the transparency of committee work. It was noted and agreed that minutes of the committee would

be uploaded to the intranet and internet by the next Audit and Risk Committee meeting (March 2017).

2 – 16/09/16. Captured by above action.

6 – 16/09/16. Agreed SR would take ownership and provide update at next meeting.

7 – 16/09/16. Will be addressed as part of the session to devise the new Risk Register..

### 3. Declaration/register of interest

No declarations or conflicts of interest were noted from attendees at this meeting.

Items for discussion

### 4. Corporate Risk – New corporate risks

There was an in-depth discussion about the risks currently facing the Agency. In particular, there was a real risk of the agency gaining a reputation for generating excessive and/or over-complex guidance and advice for schools and other providers, with the implication that we have impeded rather than promoted successful implementation of CfE as a result.

It was agreed that a number of mitigating actions had already been taken including Bill Maxwell's Statement, the development of Benchmarks and work to streamline the Agency's online presence.

There was also a need to consistently deliver the clear message that Education Scotland was not solely responsible for CfE. Key stakeholders needed to take ownership for their contribution to the development of CfE and the accompanying guidance. The need for clear communication strategies to support such high profile messages would be crucial.

It was therefore agreed that there was a need to develop a clear communications and engagement strategy to address such risks. The strategy should address, among other things, the need to identify and cultivate advocates such as International Council, who could champion Education Scotland. More attention to work with stakeholders.

Another key risk facing the Agency was around the assertion that there is an irreconcilable conflict of interest at the heart of the agency with resulting pressure to split the agency apart in the governance review. While no-one had been able to demonstrate any actual evidence of a conflict, it was agreed that the Agency's response to the Governance Review would be crucial in mitigating this risk. The narrative would need to be very clear about the benefits that had been achieved as a result of the creation of Education Scotland – for example, the Agency's work around technology curriculum.

This risk was likely to continue post the Governance Review so it would be crucially important to relaunch the Agency's mission and to actually document the firewalls that exist while highlighting that inspection has always been about improvement. The need to continue to connect with, and influence, key stakeholders such as ADES and indeed DFM would also be crucial.

## 5. Internal Audit – Progress Report

Iain Burns provided an update on the internal audit progress report. This would include IA undertaking some advisory work around business continuity planning – SR confirmed there would be no cost implication.

2017/18 work plan would be available at next ARC.

Further discussion around internal audit provision. It was agreed that the session to develop the new risk register would include a discussion around the agency's risk appetite.

It was suggested that the information contained in Annex A of the Internal audit progress report could be better presented in pie chart format. It was noted that the internal audit progress report would be supplemented by the Agency's new audit recommendation tracker.

**Action: IA to consider how to better present the information in Annex A.**

## 6. External Audit – Progress Report

A planning meeting had taken place and the external audit work plan would be tabled at the next meeting.

Auditors would be onsite Feb/March, concluding mid April. Report to those charged with Governance would be submitted to the committee in June 2017.

**Action: Roz McCracken to circulate External Audit report.**

## 7. Finance Report – Finance Report and Forecast Outturn

It was reported that the November Finance report was not yet available. Position noted from October report – highlighted an overspend of 394k.

Consideration would need to be given around the future funding of Scottish Education Awards, including the introduction of sponsorship fees.

It was noted that the spend on the new VC kit was not returning the anticipated T & S. It was agreed that initial assumptions had been overly optimistic.

It was confirmed that work would continue to seek a reduction in overspend by the year end.

## 8. Audit Recommendation Tracker

Presented for comment and suggested amendments noted. Roz McCracken to take forward – the tracker would now be presented at all future meetings.

## 9. ARC – Self Evaluation of Performance

The Chair thanked members for their feedback.

Discussion around the membership for ARC going forward. It was agreed that it would be better to not have all the Agency's non executives sitting on the ARC to preserve distinction

between Management Board and ARC responsibilities. The membership would therefore be reviewed when additional non executives were recruited.

An updated Terms of Reference was presented for comment and a number of amendments suggested.

**Action: Roz McCracken to update Terms of Reference – sign off at next ARC.**

The Chair confirmed that Executives were free to discuss the functioning of the committee at any point - this would be formally captured in the Terms of Reference.

Items for noting

#### **10. Performance – Portfolio Board Dashboard and Risk Register**

Risks around resources for the Inspection and Review Programme were noted. The Dashboard continue to be refined and would be updated and presented to the next Portfolio Board meeting on Monday 19 December.

#### **11. PCIP – Assessment results**

ARC noted the performance of the agency during the recent PCIP assessment.

#### **12. Any other business**

The contents of the Health and Safety Report were noted.

#### **13. Date of next meeting**

Future meetings currently being scheduled and invites would be issued in due course.

Anne Whyte  
Secretary