

Meeting	Audit and Risk Committee
Date	29/09/2021
Time	10:00 – 12:30
Venue	MS Teams

## Minute

### Members

John Fyffe	Non-Executive Board Member (NEBM) (Chair)
David Gemmell	NEBM
Aileen Ponton	NEBM
James Wallace	Independent Audit and Risk Committee Member

### Attendees

Gayle Gorman	Chief Executive
Craig Clement	Strategic Director
Patricia Watson	Strategic Director
Gillian Hamilton	Strategic Director
Gillian Howells	Head of Finance
Roz McCracken	Head of Governance
Vivian Bogle	Head of Information Governance
Jim Montgomery	Internal Audit
Julie Taylor	Internal Audit
Andrew Kerr	Audit Scotland
Patricia Dougan	Head of Digital
Barry Millar	Technical Delivery manager
Allan Panton	Business Partner
Erin Middlemass	Secretariat

### Apologies

Janie McManus	Strategic Director
Ollie Bray	Strategic Director

## 1. Welcome and apologies

- 1.1 The Chair welcomed everyone to the meeting and reiterated that the meeting would finish at 12:30 to ensure quorate status. Apologies were noted from Ollie Brae and Janie McManus.

## 2. Previous meeting

- 2.1 The Minute of 30 June 2021 was agreed to be an accurate record of discussions.
- 2.2 The Action Log was reviewed. It was agreed to close ARC 20/20-21 “Provide an update to ARC on the review of Education Scotland’s back up arrangements at the next ARC meeting”. as this was on the agenda at item 9.

## 3. Declarations/Register of Interest

- 3.1 There were no declarations or conflicts of interest to note.

#### **4. Internal Audit**

- 4.1 Julie Taylor provided a brief summary of Internal Audit activity, Integrated Assurance activity and IA strategic matters and best practice since the last meeting in June 2021.
- 4.2 Julie confirmed that no changes have been made to the Annual Audit Plan since consideration by the ARC in March 2021 and it was currently on track to be completed by 31 March 2022.
- 4.3 The Final Audit Report on Cyber Security was presented for discussion. An overall reasonable assurance had been provided with four recommendations which had been accepted by management.
- 4.4 Board members commented on the importance of reinforcing and educating staff on Incident reporting and processes as to mitigate recommendation 3 in paper 04.3.
- 4.5 The Committee recommended that officials consider adding a Cyber security risk to the ES Risk Register.

#### **5. External Audit**

- 5.1 Andrew Kerr gave a brief update on the work on External Audit since the last meeting. No comments were noted from the Committee.

#### **6. Finance Update**

- 6.1 Gillian Howells gave an overview of the finance report as of August 31<sup>st</sup> and invited questions.
- 6.2 Members raised questions around possible increase in travel costs for the year and it was confirmed that this has been accounted for in other areas.
- 6.3 Gillian Howells commented that although budgets are delegated to directorates, budgets, underspends and risks are managed via constant dialogue with finance as well as reporting to LT.
- 6.4 The Chair asked for clarification on costs for a terminated contract and the VAT recovery for this. Gillian Howells confirmed that budget has been protected for the possible costs and that although the VAT issue has not yet been resolved the team were hopeful the situation would be resolved in ES favour.

**Amendments to agenda made bringing forward item 10 (Transformation Board) to this point in the meeting.**

**Barry Millar and Patricia Dougan joined the meeting**

#### **7. Transformation Board**

- 7.1 Barry Millar gave an overview of the risk update paper provided, covering comms, VAT recovery, volume of work and the mitigating factors for these risks.

- 7.2 The Committee was verbally updated on the risks due to go to the next Transformation Board meeting, including a newly red risk around CRM.
- 7.3 It was agreed that to discuss these risks around this programme further a meeting would be set up inviting NEBMs.
- 7.4 Barry Millar gave an overview of the workstream summary. He confirmed that the PLL catalogue was now on a beta launch and was due to go live mid-January 22.

**ACTION POINT – Secretary to set up a meeting to further discuss risks and issues around TB.**

**8. ES Risk Register & Directorate Risk Registers**

- 8.1 Vivian Bogle gave an overview of the ES risk register and cover paper. Changes to risks were flagged to the Committee. Two new risks had been added to the risk register. .
- 8.2 Allan Panton gave an overview of the Directorate Risk Register heat maps.
- 8.3 It was noted that there were no digital risks on the Directorate Heat Map from digital and it was confirmed that a new escalation process was being put in place to gather information about digital risks at a Directorate level

**9. Scrutiny Annual Report**

- 9.1 Janie McManus gave an overview of the papers provided and invited questions.
- 9.2 It was confirmed that an annual Scrutiny report for 2020-21 and Scrutiny plan for 21-22 would be provided in March 22 as per governance planner.
- 9.3 A concern was raised around HMIE staffing and the age profile of HMIs coming up to retirement. An additional concern was raised around capacity for HMIE with the possibility of an increased remit post reform.

**10. Cyber Security**

- 10.1 Antony Bernstein gave an overview of the Information Security paper provided to the Committee. The next steps for this work were also provided.
- 10.1 A paper was requested on ES back up processes to next meeting.
- 10.2 Patricia Dougan gave an overview of the safeguarding paper provided. It was confirmed that ES were in the final stages of exiting the contract and would move forward with a new approach.
- 10.3 It was noted that the project had taken forward the findings of the Gateway review and had updated all areas of delivery as a result of both the review and the new approach.

**ACTION 21/20-21 – Antony Bernstein to provide paper to ARC on ES back up arrangements at next meeting (Dec 1)**

**For awareness and AoB**

10.4 The minutes from Health, Safety and Well-Being minutes were shared and members had no comments.

10.5 No items were noted for AoB.

**Date of next meeting**

The next meeting was noted as scheduled for 01 December 2021, 10:00 – 13:00. A pre-meeting between the NEBMs and Audit Scotland would take place at 09:15.

**Erin Middlemass**

Secretary

8 October 2021