

Meeting	Audit and Risk Committee
Date	05/07/2022 rescheduled from 29/06/22
Time	12:00 – 15:00
Venue	MS Teams

## Minute

<b>Members</b>	
John Fyffe	Non-Executive Board Member (Chair)
Aileen Ponton	Non-Executive Board Member
James Wallace	Independent Audit and Risk Committee Member
<b>Attendees</b>	
Gayle Gorman	Chief Executive and Accountable Officer
Gillian Hamilton	Strategic Director
Craig Clement	Strategic Director
Gillian Ritchie	Strategic Director
Janie McManus	Strategic Director
Patricia Watson	Strategic Director
Andrew Kerr	Audit Scotland
Jim Montgomery	Internal Audit
Andrew Duncan	Accountant
Roz McCracken	Head of Governance
Clare Connor	Governance Information Officer
<b>Apologies</b>	
David Gemmell	Non-Executive Board Member
Ollie Bray	Strategic Director
Gillian Howells	Head of Finance
Garry Gibb	Audit Scotland
Gemma McNally	Audit Scotland
Glen Bisset	Internal Audit (observation only)

### 1. Welcome and apologies

- 1.1 The Chair welcomed everyone to the meeting. Apologies were accepted from David Gemmell, Ollie Bray, Gillian Howells, Garry Gibb, Gemma McNally and Glen Bisset. Aileen Ponton joined the meeting from 12.30 pm. Andrew Duncan attended in place of Gillian Howells.

### 2. Previous meeting and Action log

- 2.1 The Committee agreed the minutes of 2 March 2022 were an accurate record.
- 2.2 The following action log updates were also accepted:
- ARC 23/21-22 – The Committee agreed to reforecast to 7 September 2022
  - ARC 24/21-22 – The Committee agreed to close
  - ARC 25/21-22 – The Committee agreed to close

### **3. Declarations/Register of Interest**

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

### **4. Internal Audit**

4.1 Jim Montgomery provided a brief summary of the Internal Audit activity in Education Scotland during the first quarter. It was noted that fieldwork was in progress for the Hybrid Working review with planning for the Change and Reform review also underway.

4.2 Internal Audit then reported an overall high-end 'reasonable assurance' rating. The auditors confirmed that their rating was reflective of some weaknesses identified in the risk, governance and/or control procedures in place but stressed that these were not significant.

4.3 It was further noted that as part of their Advisory Review of the Inspection Programme, Internal Audit had endorsed the work being undertaken by Education Scotland in this area.

4.4 The Committee welcomed the reports and agreed with the overall assurance rating from Internal Auditors.

4.5 The Chair and Chief Executive acknowledged the work of all involved and extended their thanks to Julie Taylor, who has been replaced by Garry Gibb as the new Internal Auditor.

### **5. External Audit**

5.1 Andrew Kerr confirmed that the work on the 2021-22 Annual Reports and Accounts was complete and provided a brief update on outstanding matters within the Proposed 2021-22 Independent Auditors Report.

5.2 External Audit also reported that Education Scotland had operated within budget for financial year 2021-22, noting that difficulties in staffing recruitment due to COVID-19 had contributed significantly to the underspend.

5.3 It was further noted that Education Scotland had made significant improvements around the Agency's governance and internal controls since Audit Scotland were first appointed in 2016, with recognition given to the Agency on the high level systems of internal control that had operated effectively during 2021-22.

5.4 The Committee welcomed the update and agreed they were satisfied with the internal controls in place. A brief discussion took place in relation to the decrease in Education Scotland's core budget for 2022-23 with members highlighting the need for ongoing engagement with the Scottish Government to address known financial pressures.

5.5 The Chair and Chief Executive acknowledged the work of all involved and extended their thanks to Audit Scotland before inviting the new External Auditor, once appointed, to the next meeting in September.

## **6. Certificates of Assurance**

- 6.1 Roz McCracken briefly introduced the certificates of assurance and confirmed, as a result of reviewing the range of assurances available, that the following were identified for inclusion within the draft 2021-22 Governance Statement:
- A continuing focus on improving and embedding our own information governance arrangements, including the development of a number of data sharing agreements with key partners and an ongoing internal promotion to support use of our eRDM system. We will also be reviewing and strengthening our information risk assessment procedures.
  - A continuing need to focus on embedding equality considerations and equality impact assessments into the work of the Agency.
  - Development of an organisation wide Assurance Map to provide a well-structured, and evidence based, analysis of risk and assurance and delivery of more formal risk management training for staff across the Agency.
  - Provision of training and support to the Community Learning and Development Standards Council to help develop and strengthen their risk management and information management arrangements and to embed equality considerations into all their work.
- 6.2 Members of the Committee confirmed they were content to place reliance on the Certificates of Assurance provided by the Strategic Directors and the wider organisation.
- 6.3 The Chair and Chief Executive acknowledged the work of all involved and extended their thanks to the Head of Governance.

## **7. Audit and Risk Committee Assurance**

- 7.1 The Chair tabled the Committee's Annual Report and Assurance to the Accountable Officer which provided a high level summary of the activity and scrutiny undertaken by members over the course of 2021-22.
- 7.2 Members agreed the report presented a fair and accurate record of their work for the past year.
- 7.3 The Committee was satisfied that the range of assurances and evidence on the effectiveness of the internal controls supplied to the Committee were sufficiently reliable to provide overall assurance to the Accountable Officer and to the Advisory Board in their financial stewardship responsibilities.
- 7.4 The Chief Executive thanked the Chair and Committee for their continued support of the Leadership Team.

## **8. Annual Report and Accounts**

- 8.1 Andrew Duncan provided a brief overview of the draft 2021-22 Annual Report and Accounts.

- 8.2 The Committee agreed that the document provided a comprehensive summary of the last year and therefore recommended that the Accountable Officer sign the Annual Report and Accounts.
- 8.3 The need for managing financial pressures in light of Education Scotland's widening remit was noted.
- 8.4 The Chief Executive, as Accountable Officer, extended her thanks to all involved in producing the report.

## **9. Finance Update**

- 9.1 Andrew Duncan provided a brief financial update, which detailed the Agency's latest financial position, and highlighted that budgets for 2022-23 had now been delegated to Strategic Directors.
- 9.2 Members welcomed the update and a brief discussion took place in relation to managing budget pressures for the year ahead and the need for the Leadership Team to continue scenario planning, in particular, for future headcount.
- 5.6 The Chair acknowledged the work of all involved and extended his thanks to the Finance Team.

## **10. Risk Update**

- 10.1 The Head of Governance provided an overview of the risk papers, detailing the new risk register for 2022-23, and noting that a number of risks were currently in the process of being assessed around: finance, data mitigation, digital and education reform. It was further noted that once this work was complete and appropriate controls identified, the risks and mitigating actions would be added to the new risk register.
- 10.2 A brief discussion took place about the heat map and the arrangements to hold another blind spot session to which the ARC members would be invited.

## **11. Transformation Programme Update**

- 11.1 Craig Clement provided an update on the Transformation Programme and members were advised that the digital assurance outcome letter contained two recommendations which were still in the process of being developed and which would come back to the Committee in due course.
- 11.2 Members discussed the road map and implementation plans for the different projects of the Transformation Programme to transition to business as usual. It was also noted that other support internal arrangements were being scoped out as Education Scotland's contract with CIVICA had come to an end.
- 11.3 Members welcomed the update, acknowledging the work of all involved and extended their thanks to the Transformation Programme Team.

## **Items for Noting/For Information**

### **12. Procurement Performance Annual Report**

12.1 The report was shared and members were content with the contents.

### **13. Health, Safety and Well-Being minutes**

13.1 The minutes were shared and members were content with the contents.

### **14. Information security Update**

14.1 The paper was shared and members were content with the contents.

### **15. ES Information and Data Management**

15.1 The paper was shared and members were content with the contents.

### **16. AOB**

16.1 No items were noted.

## **Date of next meeting**

The next meeting would take place on 07 September 2022.