

Meeting	Audit and Risk Committee
Date	17/12/2020
Time	10:00 – 12:30
Venue	MS Teams

Minute

Members

John Fyffe	Non-Executive Board Members (NEBM) (Chair)
David Gemmell	NEBM
Aileen Ponton	NEBM

Attendees

Gayle Gorman	Chief Executive
Gillian Hamilton	Strategic Director
Gillian Howells	Head of Finance
Roz McCracken	Head of Governance
Jim Montgomery, Julie Taylor	Internal Audit
Dave Richardson	External Audit
Patricia Dougan	Head of Digital Learning and Teaching (item 9.1)
Michael Moynihan	Head of Information Security (item 9.1)
Melanie O'Bryan	Head of Information Governance (item 9.2)
Nina Hyslop	Secretary

1. Welcome and apologies

1.1 The Chair welcomed everyone to the meeting, and noted apologies from Andrew Kerr and James Wallace.

2. Previous meeting

2.1 The Minute of 14 October 2020 was agreed to be an accurate record of discussions.

2.2 Action log

05 / 20-21 - Share IA advisory paper with members. Issued 30/10/20.	CLOSED
06 / 20-21 - Review of relevant AS national reports. Noted for LT meetings.	CLOSED
07 / 20-21 - Table Framework Documents at ARC. Tabled 17/12/20.	CLOSED
08 / 20-21 - Review and reprioritise audit recommendations. Updated and tabled.	CLOSED
09 / 20-21 - Discuss Scrutiny at Advisory Board. Added to AB action tracker.	CLOSED
10 / 20-21 - DRR heatmap taken quarterly, and full DRR tabled annually. Noted.	CLOSED
11 / 20-21 - External assurance recommendations added to audit tracker. Noted.	CLOSED
12 / 20-21 - Information Governance update to be provided. Tabled 17/12/20.	CLOSED

3. Declarations/Register of Interest

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

4. Internal Audit

4.1 Internal Audit (IA) provided a summary of their activity in Education Scotland (ES), since the last meeting in October 2020. The financial management review was reported as being at draft report stage and recognised the significant improvement work undertaken by the Finance Team, resulting in Substantial Assurance. The finalised audit report would be tabled at the March ARC meeting. The Committee was pleased to note the Substantial Assurance.

4.2 Planning for the final audit of this year would commence in January 2021, which was anticipated to be completed by March. Internal Audit would also consult with the Chair and Chief Executive around the audit plan for 2021-22.

4.3 Internal Audit provided an update on plans for integrated assurance, noting that the annual Internal Audit Assurance Report could possibly include information about both Internal Audit reports and any other assurance activity undertaken by the Internal Audit and Assurance Directorate including Gateway Reviews.

4.4 The Chair highlighted the supplementary information which was contained in the paper from IA. Information Security was noted to be one of the top five risks to businesses though phishing and malware. As a result, it was agreed that a session, utilising the probing questions around potential risk 'blindspots', should take place early in the new financial year.

ACTION

13 / 20-21 Arrange an ARC session to discuss potential risk 'blindspots'. Secretary – 28/02/21

5. External Audit

5.1 Audit Scotland (AS) presented their external audit update which provided an update on the audit of 2020-21 annual report and accounts, along with recent reports published by Audit Scotland in the period October – December 2020.

5.2 Updates around the changes to the organisation's appointed external auditors would be shared at the earliest opportunity.

5.3 It was reported that the Director of Internal Audit and Assurance had provided evidence at the Public Audit And Post-Legislative Scrutiny Committee, providing responses on digital assurance for public bodies.

6. Progress against audit recommendations

6.1 The papers tabled provided an update on the progress made against the audit recommendations. Further to an action arising at the previous ARC, recommendations from external assurance reviews (Gateway Reviews) of the Transformation Programme (TP) would be added to the Audit Tracker to ensure continued ARC oversight of progress.

6.2 The Committee had requested that all audit recommendation target dates be reviewed, and if no longer relevant, for the narratives to be updated accordingly and evidence provided to IA. Some recommendations, for example the Organisational Development ones, were recognised as having been overtaken by events, and as such would be taken to IA for review prior to removal from the tracker.

6.3 It was agreed that recommendations around Change Management would require further discussion, to agree next steps. There was a concern around using the suggested

change management process from the TP for business as usual (BAU), as the TP was a fixed term project, and not ongoing.

ACTION

14 / 20-21 Meeting to discuss change management for BAU. Roz McCracken – 28/02/21

7. Finance update

7.1 The finance update and expenditure summary to 31 October 2020 was presented to the Committee. Work had been undertaken with the Business Partners and the Directorates to flush out areas where work would now unlikely progress due to the continued delay in returning to BAU. It was confirmed that as a result, work had been completed to provide an update to LT to approve the final budget position before the SBR deadline. It was important to note any future budget reduction would result in the redirecting of staff or the stopping of activities.

7.2 There was recognition around the improved clarity of the financial information provided to LT which had informed decision making, and resulted in managing down of the budget pressure.

7.3 It was confirmed that all vacancies in the Finance Team had been filled permanently, and that everyone was working well. ARC members asked for their thanks to the Finance Team and Business Partners be recorded

8. Risk update

8.1 The latest version of the Risk Register (ESRR), along with the ESRR and Directorate Heatmaps were tabled for review. As agreed at the previous meeting, the Directorate Risk Registers would be tabled annually.

8.2 In response to a concern raised on the digital estate risks and pressures in the digital team (supporting Glow, TP, e-Sgoil), it was confirmed that additional recruitment had been approved further to securing additional funding, and call-off contract staff being brought in.

8.3 With digital resources requiring more support than ever, ES had engaged with policy colleagues to highlight the message around system change and the national offer. Substantial investment would be required to allow ES to further develop Glow.

8.4 The Committee acknowledged the risks noted on the register, and agreed that the Oversight Board Terms of Reference should be shared with NEBMs as an assurance of the purpose and remit of the Board in managing risks across the Directorates.

ACTION

15 / 20-21 Issue the Oversight Board ToR to NEBMs. Secretary – 20/01/21

9. Information Security & Governance - updates

9.1 Michael Moynihan attended to present his Information Security paper and to give the Committee an update on maturity levels. It was noted that ES was nearing the desired levels of maturity.

9.2 It was confirmed that ES was at the final stages with UK Information Commissioners Office (ICO) to develop the bespoke safeguarding product within the ICO's regulatory sandbox, which would allow them to develop the product, and ultimately confirm it as GDPR

compliant. The timescale to this end was approximately three years, however an Alpha version to look at historic data would be available within ten months

9.3 There was a discussion about the potential for cyber security attacks. It was important for members not on the Scots platform to ensure their personal devices used for meeting papers and documents have the most up to date security updates installed, and for all to keep abreast of the latest phishing attacks. The use of eRDM Connect was agreed to be the most secure way of providing papers to Board members outside of the Scots platform.

9.4 Members agreed that regular information security updates should continue be tabled at future meetings. An invitation was also extended to the Head of Information Security to present an update on Glow users and Information Security at a future meeting.

9.5 The Committee then welcomed Melanie O'Bryan to present an update on Information Governance. Members agreed that the appropriate steps had been taken and it had been beneficial for the Head of Information Governance to engage with TP, Information Security, and to work closely with a NEBM 'critical friend' to progress this vital piece of work.

9.6 Members asked for their thanks to be recorded and looked forward to further updates.

10. Health, Safety and Well-Being (HSW)

10.1 Members noted the ratified minute from the Health, Safety and Well-being Committee, and key points from the most recent meeting.

10.2 The Committee agreed that the minutes and key points would be sufficient to table at ARC going forward, with the Chair from the HSW Committee attending on request.

11. Framework documents

11.1 The Education Scotland, along with the Community Learning and Development Standards Council for Scotland Framework Documents were tabled for awareness. These had been approved by the Deputy First Minister on 7 December.

12. Any other business

12.1 The Governance Office would shortly issue an invitation for NEBMS to formally note their declarations of interest.

12.2 The ARC self-assessment would be issued to members for completion and return, capturing how the ARC had operated over the past year. The content of the returns would be presented at a future meeting and formally recorded. micha

12.3 The Chair asked the minute to formally record his appreciation of the papers tabled. Further, he shared his thanks with the Board for the support which he had received over this extraordinary year.

Date of next meeting

The next meeting was scheduled for 3 March 2021, 10:00-13:00. A pre-meeting between the NEBMs and IA had been scheduled for 09:15.

Nina Hyslop
Secretary
17 December 2020