

Meeting	Audit and Risk Committee
Date	30/06/2021
Time	10:00 – 13:00
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
Ollie Bray	Strategic Director
Patricia Watson	Strategic Director
Maureen Hamilton	Head of Operations
Roz McCracken	Head of Governance
Jim Montgomery	Internal Audit
Julie Taylor	Internal Audit
Andrew Kerr	Audit Scotland
Gemma McNally	Audit Scotland
Erin Middlemass	Secretariat

Apologies

Gillian Hamilton	Strategic Director
Janie McManus	Strategic Director
Gillian Howells	Head of Finance
Allan Panton	Business Partner

1. Welcome and apologies

- 1.1 Aileen Ponton welcomed everyone to the meeting as the Chair was having IT issues. Apologies were noted from Gillian Hamilton, Janie McManus, Gillian Howells and Allan Panton.

2. Previous meeting

- 2.1 The Minute of 03 March 2021 was agreed to be an accurate record of discussions.
- 2.2 ARC 13/20-21 Arrange an ARC session to discuss potential risk blindspots - **Closed**
 ARC 16/20-21 Invite views from Committee members on risk management - **Closed**
 ARC 17/20-21 Update Committee members on changes to the LT remits - **Closed**
 ARC 18/20-21 Add Transformation Programme as a standing item - **Closed**
 ARC 19/20-21 Organise a single item meeting between members and LT to discuss the risks around the AI safeguarding product in more detail – **Closed**
 ARC 20/20-21 Provide an update to ARC on the review of ES's back up arrangements at the next ARC meeting. – **Agreed to delay to next meeting**

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 in Education Scotland (ES) since the last meeting. It was noted that 2020-21 Internal Audit Plan had been completed in full by end April 21 and they were reporting an overall Reasonable Assurance rating. The auditors confirmed that this was a stronger Reasonable Assurance than the one provided last year due to the governance and finance improvements made over the last year.

4.2 Internal Audit had provided an overall 'Reasonable' assurance opinion for the review of Workforce Planning. They had identified some weaknesses in the risk, governance and/or control procedures in place but these were not of a significant nature. The review identified 3 medium recommendations which management accepted. The Committee welcomed the report and recommendations.

4.3 Dates for continued assurance work were shared and it was confirmed that an assurance review on the Agency's agreement with SFC would be carried out from July 2021.

The Chair joined the meeting.

5. External Audit

5.1 Andrew Kerr confirmed that the work on the 2020/21 Annual Report and Accounts was complete and an unqualified report would be issued in time for the Advisory Board meeting on 7 July 2021.

5.2 External Audit also formally acknowledged the work of the finance team and the wider organisation, which had allowed the accounts to be issued in a timely manner.

5.3 The Chief Executive extended LTs thanks to both the auditors and all involved internally for their work on the Annual Report and Accounts.

6. Certificates of Assurance

6.1 Members confirmed that they were content to place reliance on the Certificates of Assurance provided by the SDs and the wider organisation.

6.2 Members were reassured by the newer members of the Leadership Team that although there had been changes to accountability roles throughout the reporting year, they were clear about their governance responsibilities and were confident in their assurances to the Chief Executive.

7. Audit and Risk Committee's Annual Report and Assurance 2020-21 to the Accountable Officer

- 7.1 The Chair tabled the Committee's Annual Report and Assurance to the Accountable Officer.
- 7.2 It was agreed that the report presented a fair and accurate record of the work for the past year. The Committee was satisfied that the range of assurances and evidence on the effectiveness of internal controls supplied to the Committee were sufficiently reliable to provide overall assurance and support to the Accountable Officer and to the Advisory Board in their financial stewardship responsibilities.

8. Annual Report and Accounts

- 8.1 The Committee reviewed the content of the 2020-2021 Annual Report and Accounts and agreed it provided a comprehensive summary and agreed to recommend that the Accountable Officer should sign the Annual Report and Accounts.
- 8.2 The need for clear financial planning processes from Scottish Government was noted.
- 8.3 In reviewing the Sustainability Report within the Annual Report and Accounts members raised the need for the Agency to move to a more carbon neutral position.

9. Finance Update

- 9.1 Members were content with the financial papers provided.

10. Risk Update

- 10.1 It was agreed that it would be useful to have a session with representative from the Leadership Team and the Extended Leadership Team to 'flesh out' the new 2021-22 risk register. Members noted the need to capture two risks in particular:

NEW RISK – Technology separation across new bodies post education reform

NEW RISK – Issues recruiting and retaining staff throughout reform

- 10.1 It was noted that the risks **ES-06** and **ES-08** should also be closely monitored during the upcoming education reform.

11. Transformation Programme Assurance Update

- 11.1 An overview of the papers was provided and members were advised that a more in depth report would be brought to future meetings. These would give more detail on each project within the programme.
- 11.2 Members discussed the VAT treatment for the ongoing work with CIVICA. It was advised that the Transformation Programme may have to prioritise activity depending on the decision reached about the VAT status.

12. For awareness and AoB

- 12.1 The minutes from Health, Safety and Well-Being minutes were shared and members were content with the contents.
- 12.2 No items were noted for AOB.
- 12.3 New risks were noted under item 10.

Date of next meeting

The next meeting was noted as scheduled for 29 September 2021, 10:00 – 13:00. A pre-meeting between the NEBMs and Audit Scotland will take place at 09:15.

Erin Middlemass

Secretary
7 July 2021