

Meeting	Audit and Risk Committee
Date	15/09/2023
Time	10:00-13:00

Minute

Members	
John Fyffe	Non-Executive Board Member (Chair)
David Gemmell	Non-Executive Board Member
Aileen Ponton	Non-Executive Board Member
James Wallace	Independent Audit and Risk Committee Member
Attendees	
Gillian Hamilton	Interim Chief Executive and Accountable Officer
Maureen Hamilton	Strategic Director, ES
Jim Montgomery	Internal Audit, SG
David Meechan	Audit Scotland
Gillian Howells	Head of Finance, ES
Roz McCracken	Head of Governance and Financial Management, ES
Avril Hamilton	Assurance Manager, ES
Erin Middlemass	Secretariat, ES
Apologies	
Gary Gibb	Internal Audit, SG
Mark Laird	Audit Scotland

1. Welcome and apologies

1.1 The Chair welcomed Members and attendees to the meeting and reminded the committee that the meeting would proceed on the understanding that all papers have been read in advance of the meeting.

1.2 Apologies were noted from Gary Gibb and Mark Laird.

2. Previous meeting

2.1 The minutes of the previous meeting were finalised and approved.

2.2 The Action log was reviewed, and it was agreed that the following actions would be closed.

ARC 01/22-23 Gillian Hamilton to write letter to the SG formally raise the concerns around shared services - superseded

ARC 02/22-23 Avril Hamilton to embed directorate risk registers in to heat maps going forward – to be closed as updates made

ARC 03/22-23 Aileen Ponton to be invited to attend a future Health and Safety Committee meeting - to be closed, invite sent

3. Declarations or conflicts of interest

3.1 No declarations or conflicts of interest were noted.

4. Internal Audit

4.1 Internal Auditors gave an overview of their Progress Report, highlighting key messages from the report. It was noted that 23-24 audit plans were all on track to be completed on time, including the Information Security audit which was at an advanced stage.

4.2 A Reasonable Assurance Opinion for Disaster Recovery and Business continuity was also presented.

4.3 A discussion was had around the Scottish Government's shared service transformation programme. It was confirmed that the go-live date for the renewed Finance and HR systems had been amended to April 24.

4.4 The committee was asked for suggestions for the next assurance review and suggestions focused on both staffing and digital, including the Digital Strategy.

4.5 It was noted that a new head of cyber was to be appointed in SG and it was agreed that they should be invited to a future meeting to advise on how they are supporting smaller agencies. That led to a discussion about how prepared the Agency was to meet a ransomware attack and whether the Agency had prioritised its systems. It was reported that a paper had recently been presented to LT on system prioritisation and this would be shared with ARC members. It was agreed to hold a separate meeting to focus on cyber issues.

4.6

ACTION ARC 05 – Invite future head of SG Cyber to meeting when appointed.

ACTION ARC 06 – RM to share system prioritisation paper with ARC members.

ACTION ARC 07 – Meeting to take place on Cyber Issues and Risks

5. External Audit

5.1 External Audit provided confirmation that the Annual Report and Accounts had been authorised and extended thanks to finance team and other colleagues for their support and assistance during the audit process. It was noted that the Auditor general had written to Gillian Hamilton to confirm the Report and Accounts were cleared to be laid for parliament.

6. Finance Update

6.1 The Finance Report was presented to the Committee. Concerns were raised about the impact of the recent pay increase and the likely position around the reform budget bid. It was also noted that not all budget transfers had yet been confirmed. It was agreed that with limited resources and no margin for increase in resources, priorities needed to be identified and other non-priority work stopped.

6.2 The Committee raised questions around a plan for managing headcount and staffing budgets as well as spend for IT systems and security. It was noted that a paper was due to

be shared with LT imminently on managing headcount, recruitment and reducing spend. This would include identifying spend that had not yet been committed.

6.3 The Interim Chief Executive noted that the core SG and other agencies were all facing the same challenges. Getting to Path to Balance would require a reduction in headcount yet there was an ongoing commitment to no compulsory redundancies.

6.4 Members agreed that it was important that the messaging to staff around the challenges facing the Agency and the likely need for movement and flexibility in roles be accompanied by positive messaging, including the commitment to no compulsory redundancies.

ACTION ARC 08 - Maureen Hamilton to arrange for (and lead) an update on staffing implications and communications to be added to the Advisory Board agenda.

7. Risk Update

7.1 An overview was given of the risk papers and it was agreed that the SWAN risk should be included at the standalone ARC Cyber session. It was further agreed that given the ongoing focus on Digital and Cyber risks, Ollie Bray should routinely attend future ARC meetings and where not available he should send a representative in his place.

ACTION ARC Ollie Bray or representative to attend ARC on a regular basis going forward

8. Reform

8.1 A verbal update was provided noting that many of the planned topics had been covered throughout the meeting.

8.2 It was agreed that the transition plan that was underway at the time of the meeting needed to be embedded in order to begin to make changes to work as soon as possible.

9. Health, Safety and Well-Being minutes

9.1 This paper was presented for information and no comments or questions were noted.

10. Information Security

10.1 This paper was presented for Information. Members commented on the shadow IT issue addressed in the paper, noting that this was a good education point.

10.2 Risks were noted around logging on and accessing SG systems from personal devices and when abroad. It was agreed a note would be shared in the staff bulletin to cover this.

ACTION ARC Digital to arrange for an update to be added to the staff bulletin reminding people about the rules on working on personal devices or outside of the UK.

11. AOB

11.1 There was no further business.

Date of next meeting:

tbc

Name	Erin Middlemass
Role	Secretariat
Date	20/09/2023

DRAFT