



Minutes

- Meeting:** Audit and Risk Committee
- Date:** 8 September 2022
- Time:** 10.30 am
- Venue:** Compass House Dundee
- Present:** Bill Maxwell, Convener
Gavin Dayer
Rona Fraser
Paul Gray
Ronnie Johnson
Maria McGill
- In Attendance:** Doug Moodie, Chair
Edith Macintosh, interim Chief Executive (iCE)
Jackie Mackenzie, Executive Director of Corporate and Customer Services (EDCCS)
Craig Morris, interim Executive Director of Strategy and Improvement (EDSI)
Gordon Mackie, Executive Director of IT and Digital Transformation (EDIDT)
Claire Brown, Executive Support Officer (ESO)
David Archibald, Internal Auditor, Henderson Loggie (IA)
Graeme Ferguson, Head of IT Service Delivery (HITSD) (for Item 14 only)
- Apologies:** Kevin Mitchell, Executive Director of Scrutiny and Assurance (EDSA)
Kenny Dick, Head of Finance and Corporate Governance (HF CG)
Joanne Brown, External Auditor, Grant Thornton (EA)

Item	Action
1.0 WELCOME	
The Convener welcomed Doug Moodie, the new Care Inspectorate Board Chair to the meeting.	

Version: 1_0	Status: <i>Approved 16.11.2022</i>	Date: 13.09.2022
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It was also noted that this meeting would normally have final sign off of the Annual Accounts and the Annual Report to the Board, but this has been **AGREED** to reschedule to November at the last Audit and Risk Committee meeting held in August.

2.0 APOLOGIES FOR ABSENCE

Apologies were received as noted above.

3.0 DECLARATION OF INTERESTS

There were no declarations of interest.

4.0 MINUTES OF PREVIOUS MEETINGS 19 MAY AND 11 AUGUST 2022

Both documents were **APPROVED** by the Committee.

5.0 ACTION RECORD OF MEETINGS HELD 19 MAY AND 11 AUGUST 2022

The Committee reviewed and **APPROVED** the Action Record.

6.0 MATTERS ARISING

The Convenor raised that the first meeting of the Audit Committee Chairs Network had taken place, hosted by Scottish Fire and Rescue Service, with good discussions taking place on risk appetite and risk tolerance.

7.0 INTERNAL AUDIT REPORT 2022/23 – FOLLOW UP REPORT ARC-23-2022

This is a recurring review which sets out the progress made since the previous Follow Up review reported to the Audit and Risk Committee in May 2022. The Committee was invited to accept the report and to approve any further revisions to implementation dates put forward by management.

The Committee noted the progress made in taking forward the actions arising from internal audit recommendations, with two remaining outstanding, both priority 3 recommendations which did not create significant risk for the organisation. Members were reassured that the recommendation in relation to recruitment and retention was linked with the work on the strategic workforce plan and that the recommendation in respect of risk management would be completed imminently.

The Committee noted the good progress made and accepted the Internal Audit report on Follow Up Reviews as of May 2022.

Version: 1_0	Status: <i>Approved 16.11.2022</i>	Date: 13.09.2022
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8.0 INTERNAL AUDIT REVIEW: IT AND DIGITAL TRANSFORMATION STRATEGY - ARC-24-2022

Internal Audit presented the report of the internal audit review on IT and Digital Transformation Strategy which the Committee was invited to note.

The overall objective of this audit was to gain assurances of the effective processes in place to support the development of the IT and Digital Transformation Strategy within the Care Inspectorate to ensure it meets its strategic and business objectives.

The Committee noted that the overall level of assurance was “Good”. and that no recommendations have been made, by the internal auditors.

The Committee agreed that this was an excellent report and asked the officers present to convey their congratulations to the Digital Team. It was also noted to pay tribute to Anne Houston for her extensive contribution to work completed by the Digital Transformation Member Officer Assurance and Advisory Group.

9.0 INTERNAL AUDIT REVIEW: COMPLAINTS - ARC-25-2022

Internal Audit presented the report of their review of the systems in place in relation to Complaints made against the Care Inspectorate, which the Committee was invited to note.

The overall objective of this audit was to provide assurance the processes and their application are in line with the Scottish Public Services Ombudsman’s requirements and model scheme.

The report provided an overall assurance level of “Satisfactory”. It was noted that only one recommendation was made as the auditor recognised that some of the suggestions he might have made to improve processes had already been identified and were in the process of being actioned by officers.

There was one grade 3 recommendation in which data and trends to be looked at. This would be reviewed by the Board on an annual basis. EDSI and EDCCS noted that it should be taken to Strategic Leadership Team (SLT) and discussed where it could be raised without a separate report being written. It could possibly be added into effectiveness conversations with thematic analysis.

The Committee agreed that this was a positive report and welcomed the assurance it provided.

Version: 1_0	Status: <i>Approved 16.11.2022</i>	Date: 13.09.2022
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10.0 INTERNAL AUDIT REVIEW: BUSINESS CONTINUITY – ARC-26-2022

Internal Audit presented the report of the audit review on the effectiveness of the Care Inspectorate's Business Continuity arrangements.

The Committee noted the overall level of assurance provided by the report was "Good".

Three grade 3 recommendations have been made. All three recommendations have been accepted by management.

The Committee commended the work from staff and the commitment to constant evolution of the business continuity packs, including the ongoing work to disseminate them widely throughout the organisation.

11.0 PROGRESS ON THE EXTERNAL AUDIT OF FINANCIAL STATEMENTS

The inspectorate continues to await the commencement of the external audit on the revised schedule previously agreed.

12.0 STRATEGIC REGISTER MONITORING

The Executive Director of Corporate and Customer Services updated the meeting and noted an emerging risk regarding Care Inspectorate accommodation. It was **AGREED** to highlight this issue to the Board in September.

Given the serious implications of affordability and financial sustainability in the current national economic context, it was agreed that consideration should be given to continuing the Member Officer Working Group set up to consider budget issues.

It was also agreed to check the use of terminology in the Register and associated documents to ensure that it is clear that this risk relates to partnerships working with external partner bodies, not the Care Inspectorate's partnership working arrangements with the trade unions to which our staff belong.

The Committee approved the updated Strategic Risk Register.

13.0 DIGITAL PROGRAMME UPDATE: ARC-28-2022

The Executive Director of IT and Digital Transformation briefed the meeting on progress in taking forward the Digital Programme. He highlighted staff challenges due to the current recruitment environment for IT staff nationally, and he updated the committee on

Version: 1_0	Status: <i>Approved 16.11.2022</i>	Date: 13.09.2022
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ongoing engagement with Scottish Government around the Stage 2 Business Case which was submitted on 30th April 2022.

The committee discussed potential risks. It was noted that a report is to be submitted to Audit and Risk Committee in November for discussion on options, should Scottish Government not provide funding for the Stage 2 Business Case. .

EDITDT

The committee noted the report and congratulated the Digital Transformation team on the significant progress made to date under challenging circumstances.

14.0 CONFIDENTIAL – CYBER SECURITY; UPDATE ON ASSESSMENT ARC-29-2022

The Head of IT and Service Delivery joined the meeting and updated the Committee on developments and progress to date. This included an update an independent re-assessment of our cyber security arrangements which had been undertaken in June.

The Committee noted the report and commended the team on the work carried out so far.

15.0 BUSINESS CONTINUITY PROGRESS REPORT – ARC-30-2022

The Executive Director of Corporate and Customer Services presented an update on the Care Inspectorate’s Business Continuity Management System. It was proposed and **AGREED** that going forward a yearly report will be supplied to the Audit and Risk Committee in May/June providing a review of progress made in the preceding year and setting out plans for the upcoming year.

16.0 HORIZON SCANNING

No relevant reports had been identified since the last committee meeting.

17.0 AUDIT AND RISK COMMITTEE NARRATIVE TO THE BOARD AND PUBLICATION OF COMMITTEE PAPERS

The committee discussed key items from the meeting’s business which should be highlighted to the Board, including:

- The raised level of risk in relation to our accommodation and related discussions with Scottish Government.
- The continuing high level of risk around affordability and financial sustainability in the cost crisis with a recommendation that a Member Officer Working Group should be continued.
- The positive outcomes of the internal audits presented to the committee

18.0 SCHEDULE OF COMMITTEE BUSINESS 2022-23

- Shared Services – Annual report to be provided to Audit and Risk Committee on 17 November, to be removed from 9 March meeting.
- Cyber Security Assessment Update – add to 17 November meeting.
- Change Management – Internal Audit Report, it was agreed by Audit and Risk Committee to be moved from 17 November meeting to 9 March 2023 meeting.

19.0 ANY OTHER COMPETENT BUSINESS

No items raised.

20.0 DATE OF THE NEXT MEETING

The date of the next meeting was noted as Thursday 17 November at 10.30 am in Compass House, Dundee, or by Teams videoconference for those who are unable to attend in person.

21.0 CLOSE

Signed:

Bill Maxwell, Convener

Version: 1_0	Status: <i>Approved 16.11.2022</i>	Date: 13.09.2022
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