

Approved

**Audit Committee Meeting
Friday 8 September 2017
Room 5.5, Meridian Court, Glasgow**

Present: Mr R Pettigrew (Chair)
Ms A Jarvis
Mr P McColgan
Dr P Stollard
Mr M Craig

In attendance: Mr D Crichton
Ms C Denholm (via VC)
Mr D Robertson (via VC – item 6)
Ms H Davies (deputising for A Patience)
Mr P Kenny (Deloitte)
Mr A Wilson (Internal Auditor)
Ms E Molony (shadowing C Denholm)
Ms M Kerrigan (minute)

The Committee expressed their sorrow at the sudden passing of Mr Keith Mackenzie.

1. **Apologies**

Apologies were received from Ms R Dhir, Mr A Patience, Mr G McLaughlin.

2. **Declaration of Committee Members' Interests**

Dr Stollard declared that he has been employed part time by Scottish Government, chairing the enquiry into Grenfell in Scotland.

3. **Minute of the previous meeting**
(AC Minute 4/17)

The minute of the previous meeting held on 22 June was agreed as an accurate record.

4. **Matters Arising (Rolling Action List)**

The action list is now complete.

5. **Review of 4 month financial position**
(AC Paper 26/17)

At 31 July there was an overspend of £133k on the Revenue Resource Limit (RRL) against the 4 month budget which consisted of projects (£78k) and salaries (£55k).

The vacancy target on staffing of 6.25% will be adjusted to 5% in the September accounts. This will amount to approx £160k. Salaries over the year are being monitored closely. No bids for funding will be considered until October 2017.

Health Scotland committed £500k saving as its contribution to the £15m efficiency target imposed on National Boards. The request to Scottish Government that the initial savings of £500k, taken from revenue, be reinstated to capital was agreed and the capital reduced with the appropriate adjustments reflected in the 1 September allocation letter. A further £250k is expected to be taken from revenue.

It was noted there will be some savings on property costs at Meridian Court and the Gyle.

It was agreed:

- to look at what the changing percentage of staff costs to total costs is and make this a standing item on the finance report each quarter; **(Action: CMD)**
- that the Committee receive a summary of the national and half yearly positions and any bid requests prior to the November meeting. **(Action: AP)**

The Committee noted the information in the paper and its enclosures.

6. **Review Risk Register**
(AC Paper 27/17)

Mr Duncan Robertson, Senior Policy and Risk Officer, updated on two of the six risks on the Corporate Risk Register (CRR), 17.3 (looks at the way roles are agreed and resources allocated across NHSScotland National Boards) and 17.5 (looks at matching our resources to priorities in planning, quality control and responding to in-year demands). The Monitoring of Risk Policy and Protocol have been updated and issued. Mr Robertson reported that a refresh of the Master Risk Register (MRR) is currently being worked on.

It was agreed:

- to look at these risks again at the next Audit Committee meeting; **(Action: DR)**
- to ensure that there are no inconsistencies in reported figures between the finance and risk papers; **(Action: DR)**
- where risk appetite has been exceeded, this will be indicated on future CRR updates.

The Committee considered risks 17-3 and 17-5 on the Corporate Risk Register (CRR) and was sufficiently assured by the actions taken/proposed to mitigate these risks.

7. **External Audit update**

Planning visits have been arranged and the Planning Report to be received at the next Audit Committee will include the significant risks in relation to the audit this year and will cover best value. There were no issues to make the committee aware of at this stage.

The Audit Committee noted the update.

8. **Internal Audit
(AC Paper 28/17)**

This paper briefs the Audit Committee on the Internal Audit Plan 2017/18. Reports since the previous meeting have been included as part of the internal audit update.

In respect of H07/18 – Board Governance Arrangements, and H08/18 – Communication, a combined review has been agreed with the Director of Strategy (DoS) in connection with the steps being taken to create the new Public Body.

It was noted that 30% of the planned days have been completed.

It was agreed that a proposal be drafted by the Head of Finance & Procurement and the Internal Auditor on the use to be made of the remaining days available in the 2017/18 audit plan. The proposal is to be sent around electronically as soon as possible and included on the agenda for the November 2017 AC meeting. **(Action: AP/AW)**

It was noted at the last meeting that the Sustainability and Information Governance audits should not be completed during 2017/18 with audits for 2018/19 being planned based on the transition towards the new public health body rather than on existing controls, which will no longer apply in future.

Follow-up report

The follow-up report looks at the responses provided to the audit follow-up coordinator to determine whether the action taken is in agreement with the original audit report. It also considers the information provided to the Audit Committee to enable it to fulfil its remit. The audit findings confirmed that action is being taken as originally agreed and appropriately detailed information is being presented to the Audit Committee. A category 'A' audit opinion was awarded, with no issues arising.

9. **Outstanding Audit Recommendations** (AC Paper 29/17)

The Audit Committee is asked to agree that some recommendations have been completed and therefore be archived and being asked to agree some deferrals.

The Committee agreed:

to **archive**:

- 'Staff reminder on gifts and hospitality through Corporate Cascade. Briefing to senior team by CFS',
- 'Management of Risk Policy and Protocol for Risk Management to be updated,
- Injury Benefit Provision within the external audit report;

to **defer**:

- System changes within the CPT to record and manage risk at level of Delivery Commitment,
- 'PID completion re 'Change and Transition Plan' re new body being Public Health Scotland' until December.

It was agreed a paper be drafted for the next Partnership Forum on the evaluation aspect of 3(b) of the Audit Follow-up (Recording and use of staff time at level of outputs as key operational planning and performance tool – evaluate performance). **(Action: CMD)**

The paper and enclosures were noted.

10. **Technical Bulletin**

The Technical Bulletin was noted.

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11. **Any other Business**

There was no further business.

12. **Effectiveness of meeting**

The Committee meeting ran very smoothly.

13. Date of next meeting: 17 November 2017, Gyle Square, Edinburgh.