

SCOTTISH SOCIAL SERVICES COUNCIL

**Unconfirmed minutes of the Audit and Assurance Committee
held on 28 April 2020 at 10.00 am
by Teams video conference**

Present: Professor Alan Baird, Council Member, Chair
Theresa Allison, Council Member
Rona King, Council Member
Peter Murray, Council Member
Russell Pettigrew, Council Member

In Attendance: Lorraine Gray, Chief Executive
Maree Allison, Director of Regulation
Phillip Gillespie, Director of Development and Innovation
Laura Shepherd, Director of Strategy and Performance
Gordon Weir, Director of Corporate Services
Nicky Anderson, Head of Finance
Chris Weir, Head of Legal and Corporate Governance
David Archibald, Internal Auditor, Henderson Loggie
Gary Devlin, Internal Auditor, Scott Moncrieff
Audrey Wallace, minute taker

Observing: Sandra Campbell, Council Member, Convener
Linda Lennie, Council Member
Natalie Paterson, Senior solicitor

1. Welcome

1.1 The Chair welcomed everyone to the meeting.

2. Apologies for absence

2.1 There were no apologies for absence from Committee Members, all were in attendance. Apologies were received from Jo Brown, external auditor from Grant Thornton.

3. Declarations of interest

3.1 There were no declarations of interest.

4. Minutes of the previous meeting

4.1 The minutes of the meeting held on 28 February 2020 were approved as a correct record.

5. Matters arising

5.1 8.2 External Audit Plan 2019/20

- 5.1.1 Alan Baird asked if the external auditor had confirmed that there would be no further follow up following the action required as a result of the audit in 2018/19. Lorraine Gray advised that she raise this with the external auditor and report back to Members.

6. Audit and Assurance Committee action record

- 6.1 The Committee reviewed the Audit and Assurance Committee action record.
- 6.2 A6. Theresa Allison asked whether the date of the joint development session with the Care Inspectorate (CI) had been progressed and it was noted that this would be progressed by the Corporate Governance Coordinator and appropriate officers in the CI.
- 6.3 A8. Russell Pettigrew asked whether the Counter-fraud agreement between the NHS and the SSSC was in place. Gordon Weir advised that obtaining wet signatures to the agreement had been held up due to the COVID-19 pandemic but agreed to pursue this. He confirmed however that there was a good working relationship between the bodies currently, in the spirit of the agreement.

7. COVID-19 Decision Tree

- 7.1 Lorraine Gray presented report 11/2020 which outlined key actions and decisions in response to the COVID-19 pandemic. The report included information from the Office of the Chief Social Work Adviser (OCSWA) which set out the work priorities for the SSSC in order to support the Scottish Government to mitigate the effects of the pandemic on the social services workforce.
- 7.2 Lorraine Gray referred to a number of matters where decisions had been made and action taken by the Executive Management Team (EMT) and the full list of decisions, dates and risk factors was included within the report. Some of those highlighted were:
- HR policies are in line with Scottish Government's advice
 - regular contact with other regulators
 - budget is being re profiled
 - a number of working groups are set up to monitor and progress action
 - interactive Teams meetings with staff are held to ensure their views and concerns are heard
 - some SSSC staff going back to working in the sector
 - COVID-19 planning group meetings are being rescheduled to meet their specific needs, these include strategic group and recovery group.

- 7.3 The Committee was advised that EMT had agreed to set up a Hardship Fund for the SSSC workforce. This was a personal fund financed by directors in the EMT. Gordon Weir advised that he was not part of the fund group.
- 7.4 Whilst commending the action taken to set up the fund, Members were concerned about the governance of the fund, the possibility of future conflicts and possible risks.
- 7.5 Chris Weir confirmed that he was not in a position to give legal advice as this was not an SSSC matter but was a personal fund set up by some members of the EMT. Maree Allison spoke to the consideration given to the risks by the funding group. Gary Devlin was asked for his opinion and he advised that perhaps setting up a small charity would be a preferable route. Lorraine Gray agreed to look into setting up a charity.
- 7.6 Members then discussed the changes to regulation aspects including the new Temporary Register and the processes put in place to ensure that people who use services continue to be protected. Maree Allison clarified the position of workers with a warning on their record, assuring Members that having a warning recorded against a worker's registration did not preclude that person from working. She also advised that guidance had been shared with employers to assist in identifying any worker's behaviour or practice that should be considered for referral to the SSSC for investigation. Statistics on workers entering the sector on the Temporary Register would become available for reporting to Committee.
- 7.7 Lorraine Gray spoke on the likely recovery periods for the sector, noting that the 'new normal' will be different, with more positive aspects such as more support for the sector, and more workers attending hearings through remote access. Theresa Allison reported, and it was acknowledged, that as a result of social distancing measures, many services will close and the sector is looking at a long recovery period.
- 7.8 The Committee:
1. endorsed the actions detailed in the report
 2. noted that the Chief Executive would look into setting up a charity to facilitate the Hardship Fund
 3. noted that the COVID-19 update to Council in May would be included within the Chief Executive's report.

8. Assurance report as of 31 March 2020

- 8.1 Laura Shepherd presented report 12/2020, the monthly Assurance report for March 2020.
- 8.2 Nicky Anderson updated the Committee on the budget position particularly noting there was an operational underspend of £473k, an

underspend in bursaries of £140k and funding drawn down of £129k, set against an overspend of £325k. £417k is set to be transferred to the General Reserve.

- 8.3 Members noted however that the underspend might increase due to possible delays in the ICT expenditure and reductions in postages, travel and subsistence. Russell Pettigrew commented that these figures were projections and subject to audit. He requested and it was agreed that a further brief report on the end of year figures be submitted to Council before the meeting of the Audit Committee in September (*note this meeting is actually 6 October*).

The meeting adjourned for approximately 10 minutes in order to allow those present to observe one minute silence in remembrance of the key workers who had lost their lives to COVID-19

- 8.4 Maree Allison updated Committee on the numbers of workers being registered, which was only down a small amount despite the SSSC moving to a home working situation during March. She further advised that numbers of applications were dropping week on week, likely due to the measures being taken to ease registration for workers during the COVID-19 pandemic.
- 8.5 Maree Allison then further advised on the success of the applications that had come in through the recruitment hub, over 2700 expressions of interest, 400 applications had been processed and to date 184 people matched to employers. A number of others were in the process of having checks carried out. The report to the next meeting of the Committee would show figures in a more user-friendly format.
- 8.6 With reference to numbers of fitness to practise cases, Members heard that more cases had been processed than the modelling had suggested; there had also been a drop in referrals, including a drop in police referring criminal matters. This allowed the fitness to practise team more capacity to close cases. In answer to a question from Alan Baird, Maree Allison advised that it was not expected that there would be a marked surge in referrals.
- 8.7 Thinking forward to the recovery period and the training of the additional staff coming on board, resource was being put into applying the best methods of training new staff while the offices are closed.
- 8.8 Maree Allison confirmed that hearings were being held remotely and a greater percentage of workers were participating via the video meetings. Currently, only Temporary Order hearings were being held but as of 18 May 2020, all types of hearings would be scheduled. She confirmed that the Hearings Clerks were providing valuable support to those workers who wished to attend.
- 8.9 Phillip Gillespie advised Members on numbers of workers who were working towards conditions, noting that within COVID-19 changes, extensions to registration periods and time given to obtain

qualifications had been given.

- 8.10 He further advised on the piece of work in progress in order to rationalise the current 23 parts of the register to make it more relevant and streamlined.
- 8.11 Theresa Allison expressed concern about funding and income for service establishments and workers in view of the lack of care fees incoming and also the lack of clarity around furloughed staff and the funding for 1140 hours childcare. It was agreed that a large piece of work on the impact of the changes would be required with a report on findings to come back to Committee.
- 8.12 Phillip Gillespie reported on 'MyLearning' resource which would be launched in June 2020 which would make it easier for workers to access learning and development resources and record their progress. The resource would also result in more meaningful figures being produced and reported to Committee. It is understood that the software can also identify whether workers are self-learning or accessing the resource through employers or through HEIs.
- 8.13 The Committee
1. considered and discussed the content of the report
 2. agreed the direction of travel and risk management actions identified by EMT
 3. agreed that a further brief report on the end of year finance figures be submitted to Council before the meeting of the Audit Committee in September
 4. agreed that a report on the impact on the sector of changes brought about by the COVID-19 pandemic would be brought back to Committee.

9. Internal Audit report 2019/20 – Corporate Control Arrangements

- 9.1 Gary Devlin presented report 13/2020, the internal audit report on Corporate Control Arrangements. He advised that all control objective assessments were in the green category, indicating adequate and effective controls in place, and that there were no recommendations made. He confirmed that all controls were in place and that the revised governance structure was working well.
- 9.2 Alan Baird and Theresa Allison thanked the Chief Executive and the EMT for the work carried out in recent months to put the governance in place which has resulted in the good practice which was now in place.
- 9.3 The Committee:
1. noted the contents of the report and supported the comments of the Chair and Vice chair.

10. Internal Audit report 2019/20 – follow up review

10.1 Gary Devlin presented report 14/2020, the internal audit follow-up review for 2019/20. He referred to six open actions as at January 2020, three of which were now complete, these being

- Workforce planning: Succession planning
- Fitness to practise: Workload planning and manpower planning
- ICT healthcheck: Cyber security awareness training.

10.2 Referring to the three actions partially complete, Committee was advised that all the payroll actions would be complete by the end of Q2 and that there were revised dates for Workforce planning: Mandatory training and Fitness to practise: Procedures and guidance documented.

10.3 The Committee:

1. agreed that the revised date for payroll actions would be end of Q2 and that this should be updated in the report
2. agreed that the completion date for the fitness to practise action should be updated in the report
3. noted the content of the report
4. agreed that the auditors provide an updated report in accordance with 1 and 2 above.

11.0 Internal Audit – Annual report 2019/20

11.1 Gary Devlin presented report 15/2020 the internal audit annual report for 2019/20. He advised that he had given the best outcome possible in the auditor's opinion. He advised that the high-risk recommendations in relation to ICT had been actioned and these matters were now closed.

11.2 Gary Devlin thanked the SSSC for their cooperation over the term of the contract and wished the incoming auditors well. Alan Baird thanked Gary Devlin for his support and work over the term including his support over some difficult times during the contract.

11.3 The Committee:

1. noted the content of the report and the positive internal audit opinion it contained
2. thanked the auditors for their service over the term of their contract, noting that at times there had been difficulties, but these had been resolved satisfactorily and amicably.

12.0 Interim Internal Audits 2020/21

12.1 Gordon Weir presented report 16/2020 which requested the Committee to approve internal audit assignments for Equality and Diversity and Risk Management in advance of the Strategic Audit Plan being agreed, following the appointment of the new internal auditors

earlier in the year.

- 12.2 David Archibald explained that this would not be the usual process followed but in view of the COVID-19 pandemic and remote working, it was suggested that these audits could be carried out very successfully, remotely. He had recently carried out similar audits in a similar way and these worked well. He reassured the Committee that the Strategic Audit Plan would be reported to the next meeting of the Committee as well as the reports on the two audits, if they were agreed today.
- 12.3 Following a question from Peter Murray, David Archibald advised that the values aspect of these audits would be evident from the documents which would be requested and from decisions that had been made.
- 12.4 The Committee:
1. agreed the assignment plans for Equality and Diversity and Risk Management as detailed in the plans attached to the report
 2. agreed that the Strategic Audit Plan and the two internal audit reports would be submitted to the next meeting of the Committee.

13. Governance Improvement Plan update

- 13.1 Chris Weir presented report 17/2020 which provided an update on the progress of the action plan arising from s22 report and 2017/18 external audit report. He highlighted that action 4 – review the budget for ongoing ICT projects and action 8 – explore the post of Programme Manager, had both been completed and management comments updated. He further advised that action 5 – revise the Service Level Agreements with the CI, was dealt with later in the meeting, as a private item.
- 13.2 There was some discussion around the recruitment of the new Director post and Lorraine Gray confirmed that a number of high-quality applications had been received through agencies, however there would be a cost implication in employing through an agency. It was clarified that this would be an interim measure and the post would be temporary for one year.
- 13.3 Officers reassured Members that the actions must continue to be progressed as best as possible in the current circumstances and Council Members would be kept informed if any difficulties arose.
- 13.4 The Committee:
1. endorsed the actions being taken and that the progress in implementing the action plan was satisfactory
 2. noted that the matter of Service Level Agreements with the CI would be addressed in the part of the meeting for private items.

14. Fraud and Corruption Assurance report

14.1 Gordon Weir presented report 18/2020 which provided Committee with an update on any instances of fraud or other financial irregularities

in the SSSC for the 2019/20 financial year.

14.2 While noting that there were no such instances during the period, Russell Pettigrew advised that he expected that the format of and information in the report would develop as work with the Counter Fraud Service (CFS) developed.

14.3 The Committee:

1. noted the report.

15. National Fraud Initiative report update

15.1 Gordon Weir presented report 19/2020 which gave details of the SSSC's participation in the 2018/19 National Fraud Initiative (NFI) exercise. He advised that the SSSC investigated all matches flagged by the exercise. Members noted that in five instances there were no issues identified. In the sixth match, it was noted that VAT had been overcharged by a supplier and this had since been recovered.

15.2 Nicky Anderson confirmed that staff are made aware of the counter-fraud measures taken in the organisation.

15.3 The Committee:

1. agreed to recommend to Council that the SSSC completes the self-appraisal checklist appended to the report
2. noted the outcomes of the NFI initiative
3. noted that the exercise takes place every two years.

16 Horizon Scanning

16.1 Lorraine Gray advised that all matters on the horizon currently related to COVID-19 and there was a mechanism in place for providing regular updates to staff and Members.

17. Date of next meeting - 28 July 2020

17.1 The next meeting of the Audit and Assurance Committee will be held at 10am on Tuesday 28 July 2020.

Committee started: 10am
Committee finished: 12.10pm

Signed _____
Alan Baird
Chair of the Audit Committee

Date _____