

**Date Issued: 21 July 2020**

Members of the Audit and Assurance Committee are advised that a meeting of the Committee is to take place at 10 am on 28 July 2020 via teams meeting.

**Alan Baird  
Chair**

### **AGENDA**

1. Welcome
2. Apologies for absence
3. Declarations of interest
4. Minutes of the previous meeting – 28 April 2020
5. Matters arising
6. Assurance report **20/2020**
- Internal Audit Reports**
7. Audit Needs Assessment and Strategic Plan 2020-2023 **21/2020**
8. Internal Audit reports:  
8.1 Equality and Diversity **22/2020**  
8.2 Risk Management **23/2020**
- For Discussion**
9. Audit and Assurance Committee Annual Report to Council **24/2020**
10. Governance Improvement Plan update **25/2020**
11. Fraud and Corruption Assurance Report **26/2020**
12. Horizon Scanning **verbal**
13. Audit and Assurance Committee action record

- 14.** Date of next meeting – 6 October 2020 at 10 am.  
All Council Members are invited to attend to review and comment upon the Annual Accounts

**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\_\_\_\_\_

<b>Title of report</b>	Assurance Report as of 30 June 2020
<b>Public/confidential</b>	Public
<b>Action</b>	For decision
<b>Summary/purpose of report</b>	<p>The Assurance Report assesses our performance against our strategic key performance indicators (KPIs) up to 30 June 2020.</p> <p>The report identifies causes of any variance to expected performance and any impact or risk this may have on the strategic objective to which the KPI relates. Actuals are measured against an initial forecast with the KPI owner providing an explanation for any variance. If there are negative variances the KPI owner details management actions and links to risk.</p>
<b>Recommendations</b>	<p>Committee is asked to:</p> <ol style="list-style-type: none"> <li>1. agree the direction of travel and risk management actions proposed by EMT.</li> </ol>
<b>Links to Strategic Plan</b>	This report presents work related to delivery of our all our strategic outcomes.
<b>Link to the Strategic Risk Register</b>	Strategic Risk 5: We fail to provide value to our stakeholders and demonstrate our impact.
<b>Author</b>	<p>Laura Shepherd</p> <p>Director of Strategy and Performance</p>
<b>Responsible</b>	<p>Lorraine Gray</p> <p>Chief Executive</p> <p>Tel: 01382 721945</p>
<b>Documents attached</b>	Appendix 1: New 2020/21 Strategic Risk Register

# Assurance Report

As of 30 June 2020

## 1. Summary of Performance and Financial Position

We consider performance on the majority of the strategic performance indicators to be acceptable or good, although there are some delays due to COVID-19 that are out with the SSSC's control. The only exception is on the performance indicator at 3.2 *The average time taken to process a fitness to practise case is maintained at less time than organisations we benchmark against*, where a significant red variance is forecast from October onwards. In order to improve on the average time taken, we draw your attention to the assessment and management action and risk narrative at 3.2 (page 13).

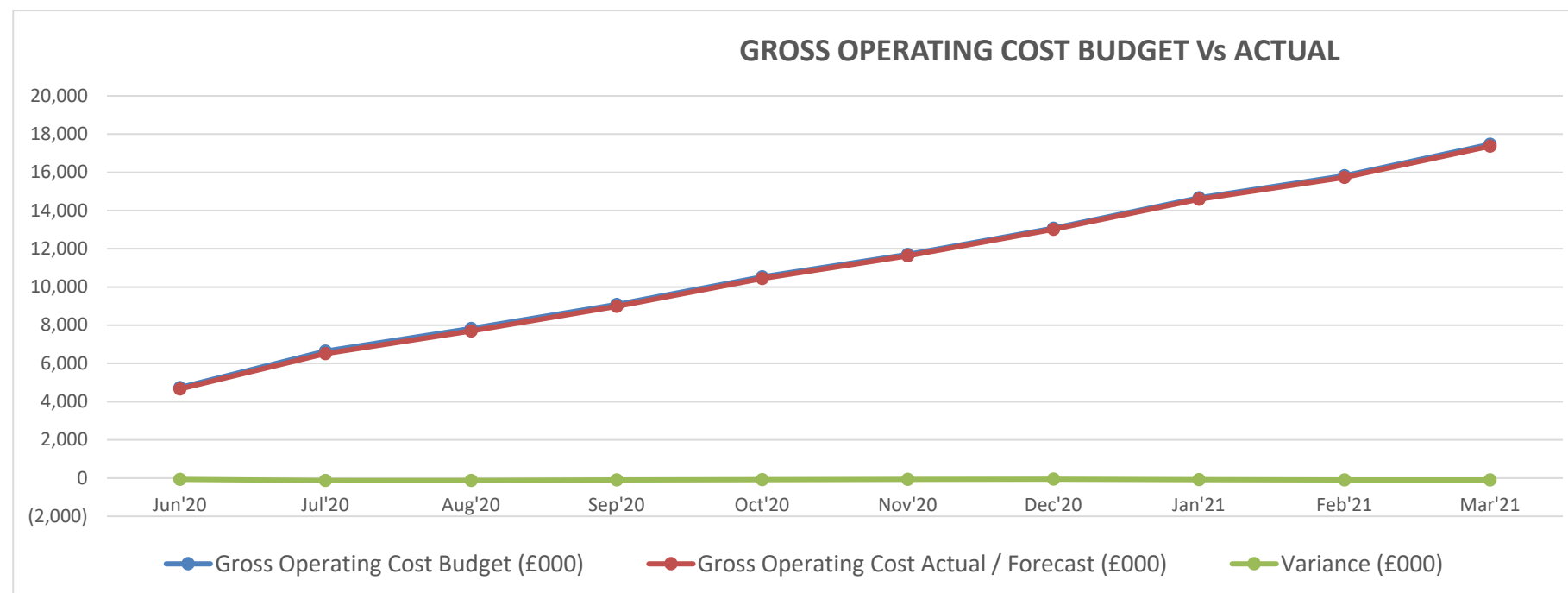
At 30 June 2020 we are projecting an underspend on the core budget of £101k, although we have identified key risks in a number of areas that could potentially increase the level of underspend by the end of the financial year. The underspend is primarily related to reduction in budgeted costs as we are not currently in the office, such as administration, travel and training. We will continue to monitor this position on a monthly basis, taking actions to mitigate risk as far as possible, and report any changes to the Audit and Assurance Committee.

There is a projected underspend in specific grants of £300k relating to phase two of the Newly Qualified Social Worker (NQSW) supported year pilots. The work plan has been revised and these funds will now be used to support an early implementation model at the beginning of 2021/22 instead of further pilots. This has been discussed and agreed with the Scottish Government Sponsor.

There are no changes to the strategic risk scores, the narrative of mitigating actions is in Appendix 1 Strategic Risk Register June 2020.

## 2. SSSC Financial Position

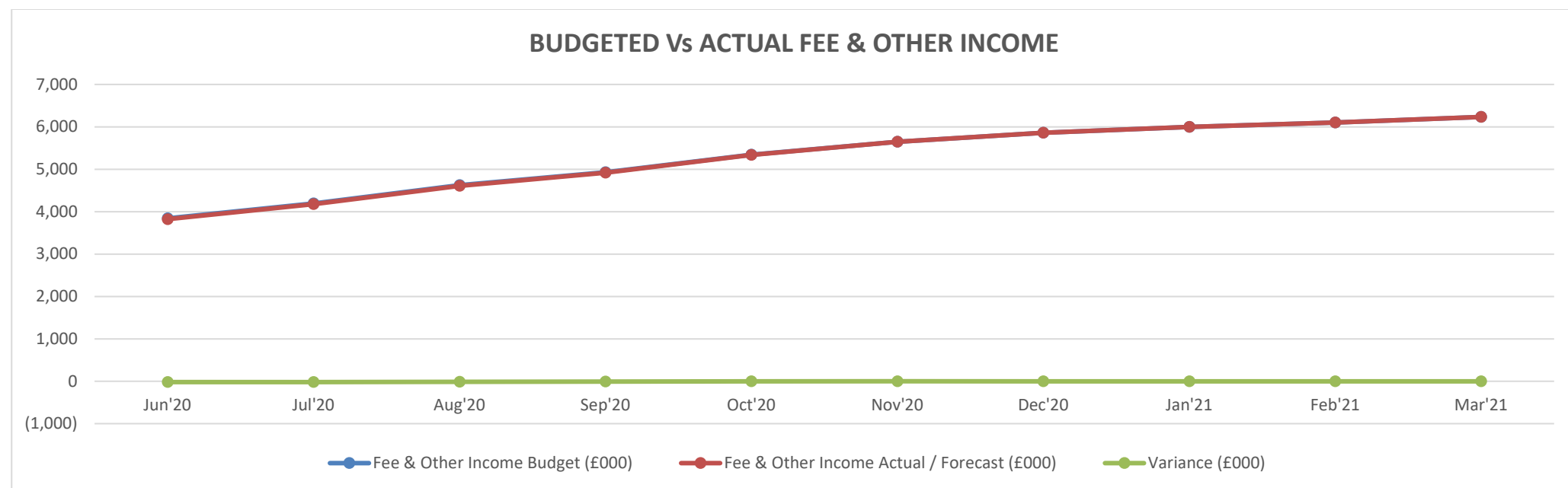
### Gross Operating Cost



#### Cumulative Gross Operating costs

	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21
Gross Operating Cost Budget (£000)	4,734	6,635	7,820	9,081	10,535	11,705	13,071	14,663	15,822	17,467
Gross Operating Cost Actual / Forecast (£000)	4,659	6,508	7,696	8,977	10,446	11,630	13,011	14,584	15,730	17,366
Variance (£000)	(75)	(127)	(124)	(104)	(89)	(75)	(60)	(79)	(92)	(101)

## Fee and Other Income

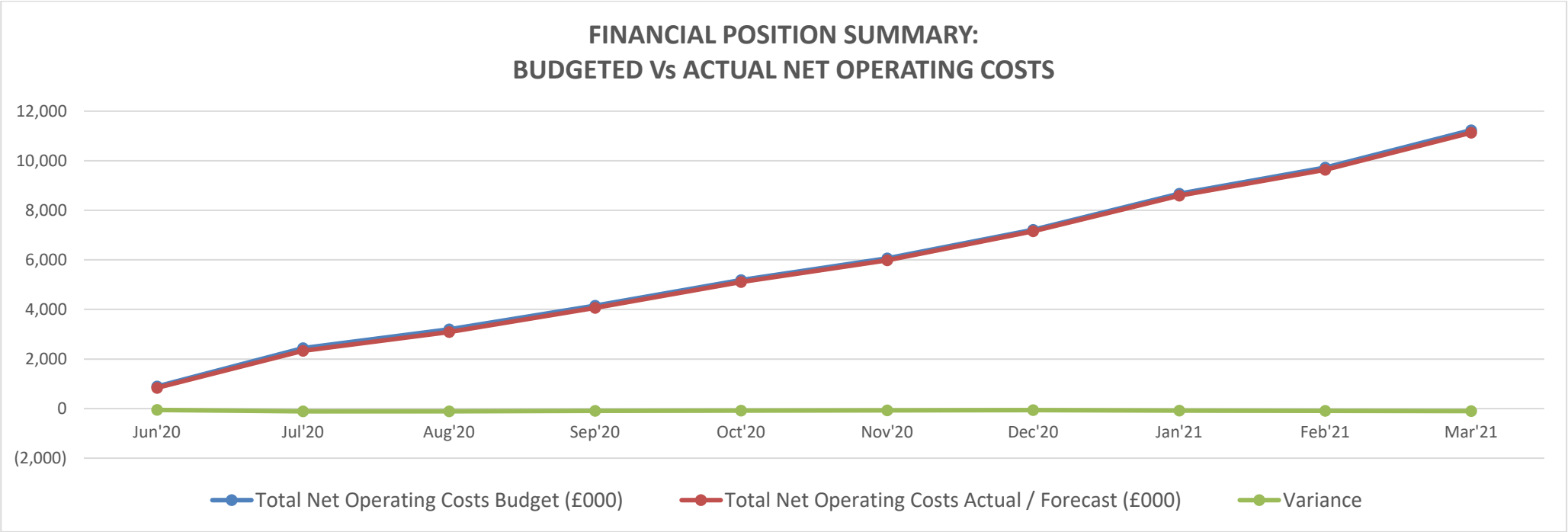


### Cumulative Fee & Other Income

	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21
Fee & Other Income Budget (£000)	3,842	4,194	4,623	4,928	5,345	5,649	5,858	5,998	6,099	6,233
Fee & Other Income Actual / Forecast (£000)	3,823	4,175	4,609	4,918	5,340	5,649	5,858	5,998	6,099	6,233
Variance (£000)	(20)	(20)	(15)	(10)	(5)	0	0	0	0	0



Total Net Operating Costs:



Cumulative Net Operating Costs

	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21
Total Net Operating Costs Budget (€000)	892	2,440	3,197	4,153	5,190	6,057	7,213	8,665	9,723	11,233
Total Net Operating Costs Actual / <i>Forecast</i> (€000)	837	<i>2,333</i>	<i>3,088</i>	<i>4,059</i>	<i>5,106</i>	<i>5,982</i>	<i>7,153</i>	<i>8,586</i>	<i>9,631</i>	<i>11,132</i>
Variance	(55)	<i>(107)</i>	<i>(109)</i>	<i>(94)</i>	<i>(84)</i>	<i>(75)</i>	<i>(60)</i>	<i>(79)</i>	<i>(92)</i>	<i>(101)</i>

## Other Non-Operational Costs

	Bursaries	Practice Learning	Voluntary Sector Development Fund (VSDF)	Specific Grant Funded Projects	Total Non-Operating Expenditure
Revised Budget (£000)	2,784	2,352	900	868	6,904
Actual / <i>Forecast</i> (£000)	2,784	2,352	932	568	6,636
Variance	0	0	32	(300)	(268)

Core Budget Summary (excludes VSDF & Specific Grants)	
	£000
<b>Budgeted deficits:</b>	
Staff and admin costs	206
Digital Development: Projects	126
Digital Development: PRTL	54
Social Services Expo	30
Marketing Consultant	24
<b>Budgeted Deficit</b>	<b>440</b>
<b>Additional expenditure b/fwd from 2019/20</b>	
Postgraduate Bursary Hardship Fund	129
Digital Development: Projects	76
<b>Additional expenditure to be funded from reserves</b>	<b>205</b>
<b>Total Budget Deficit</b>	<b>645</b>
In year operational underspend	(101)
<b>Total in year variance</b>	<b>(101)</b>
<b>Transfer to General Reserve</b>	<b>544</b>

## Projected General Reserve Position

	General use £000	Digital Equipment Replacement £000	Practice Learning £000	Voluntary Sector Development Fund (VSDF) £000	Specific Grant Funded Projects £000	Total £000
Opening General Reserve Balance	(1,439)	(100)	150	(32)	(162)	(1,583)
Net Operating Expenditure	11,132					11,132
Other Net Expenditure	2,784		2,352	932	568	6,636
Total Expenditure	13,916	0	2,352	932	568	17,768
Expenditure Net of Grant Funding	12,477	(100)	2,502	900	406	16,185
Grant Funding	(13,272)	(100)	(2,352)	(900)	(706)	(17,330)
Closing General Reserve Balance	(795)	(200)	150	0	(300)	(1,145)

<b>%age of Gross Expenditure (target 2.0% to 2.5%)</b>	<b>2.9%</b>
--	-------------

	£000
Gross expenditure	22,334
Minimum target 2%	447
Maximum target 2.5%	558

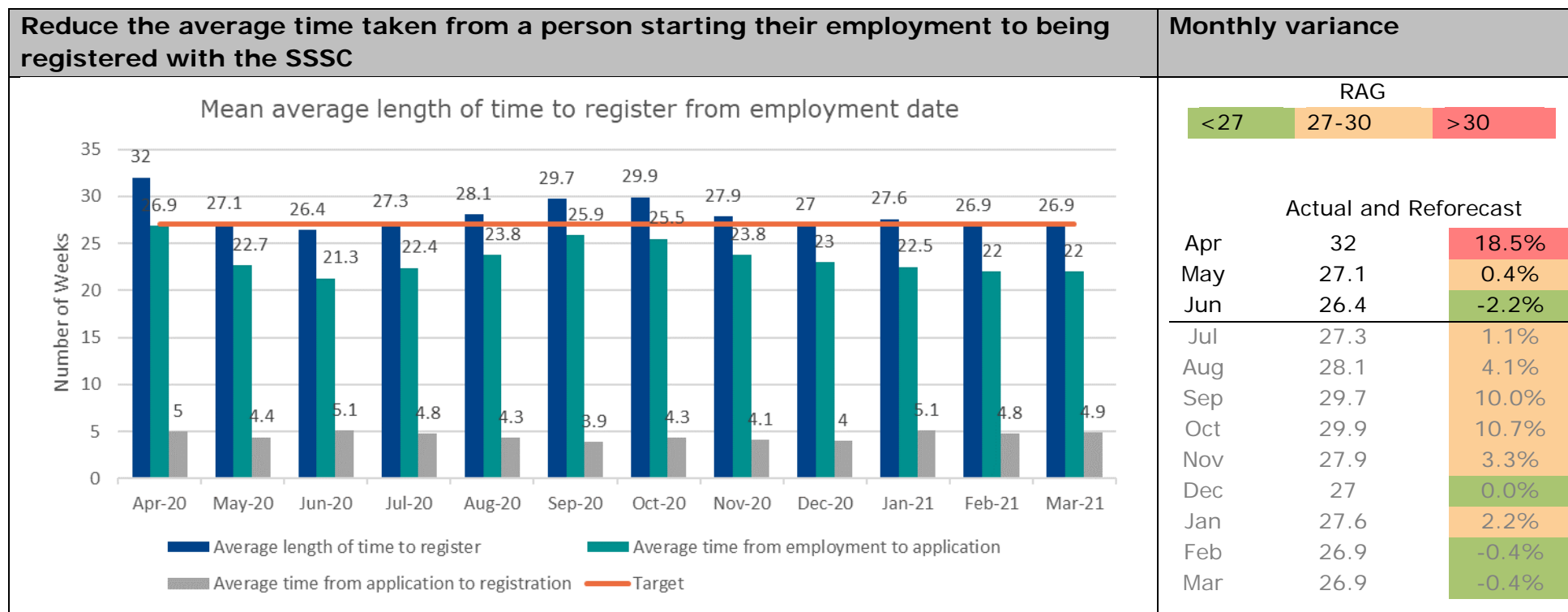
## Key Financial Risks:

Budget Area	Description of Risk	Sensitivity	Likelihood
Staff Costs	<p>Projected expenditure could decrease:</p> <p>Staff capacity will be managed through recruitment, retention and overtime working if necessary. The COVID-19 position adds further complexity to the management of this.</p>	Projected cost reduction of up to £300k.	High
Legal Consultancy	<p>Projected expenditure could increase:</p> <p>A solution to reduce Fitness to Practise staff capacity is to instruct external legal advisers to assist with conduct hearings.</p>	Projected cost increase of up to £100k.	Medium
Digital Development	<p>Projected expenditure could decrease:</p> <p>Managers have highlighted that COVID-19 will delay completion of some digital projects but the revised timescales and financial impact have not been fully analysed at this stage.</p>	Projected cost reduction of up to £150k.	High
Social Care Marketing Campaign	<p>Projected expenditure could decrease:</p> <p>The evaluation and new social care review announcement may have an impact on whether this goes ahead during 2020/21.</p>	Projected cost reduction of £100k.	Medium
Postgraduate Bursaries	<p>Projected expenditure could increase or decrease:</p> <p>The value of bursaries paid out is dependent on the number of students awarded a bursary and their personal circumstances. The COVID-19 position is also likely to have an impact as universities are currently restructuring courses and the impact of delayed practice placements is not yet known.</p>	Range of a projected cost reduction of £200k to a cost increase of £200k.	Medium
Practice Learning Fees	<p>Projected expenditure could increase or decrease:</p> <p>This is an expenditure that we have little control over and cost is dependent on the uptake of practice placements arranged by universities.</p> <p>We would normally seek additional funding for Practice Learning overspends. We would not claim funding if there was an underspend. Therefore, the net effect of</p>	Range of a projected cost reduction of £200k to a cost increase of £200k.	Low

	<p>an expenditure variance would be zero. However, dependent on our overall financial position we may be asked to absorb some or all of an overspend.</p> <p>The COVID-19 position has an impact as the delay in practice placements may mean that additional days are required during 2020/21 and beyond.</p>		
Registration Income	<p>Projected income may be less than currently projected:</p> <p>Our current expectation is that fees due from registered workers will be paid in line with budget. We have just started to chase up unpaid invoices, following the pause agreed with Scottish Government due to COVID-19, and will soon have a clearer understanding of how many people are choosing not to pay due to their financial circumstances.</p> <p>There is a risk that the sector, and therefore the registered workforce, contracts due to the impact of COVID-19. We understand from the sector that they have concerns about the sustainability of some services. Scottish Government has delayed the extension of funded early learning and childcare hours until August 2021. We do not have clear data on this but consider that a reasonable worst-case scenario is a 5% reduction in register size and therefore fee income.</p>	Reduction in projected fee income of up to £300k.	Medium

### 3. Strategic Performance Indicators

#### 3.1 Regulation: Reduce the average time taken from a person starting their employment to being registered with the SSSC.



#### Assessment

This strategic performance indicator (SPI) reflects our work to deliver strategic outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise. The indicator helps us measure how quickly we process applications, that the correct people are registered and ensures new staff are registering in a timely manner.

During COVID-19 we have extended the time a worker has to register once they start work from 6 to 12 months. Housing Support Service and Care at Home Service workers have until September 2020 to register. The initial deadline to guarantee registration for these two register parts was 13<sup>th</sup> December. We will calculate how long an existing staff member has taken to register from this point.

By April 2023 we aim to register workers within 12 weeks of starting employment, allowing 8 weeks to submit an application and a further 4 weeks for the SSSC to process. To achieve this, we set targets of 22 weeks by the end of 2020/21 and 17 weeks by 2021/22. However, due to the impact of COVID-19 we set the initial target to maintain what we achieved last year which was an average of 27 weeks.

We predict that we will be outside of the initial 27-week target for large parts of this year due COVID-19 but by the end of 2020/21 we will be within target. The forecast has been based on previous trends as well as considering the deadline for workers of Care at Home and Housing Support Services. The current measures in place for COVID-19 and when these may change are the largest influencer for the forecast.

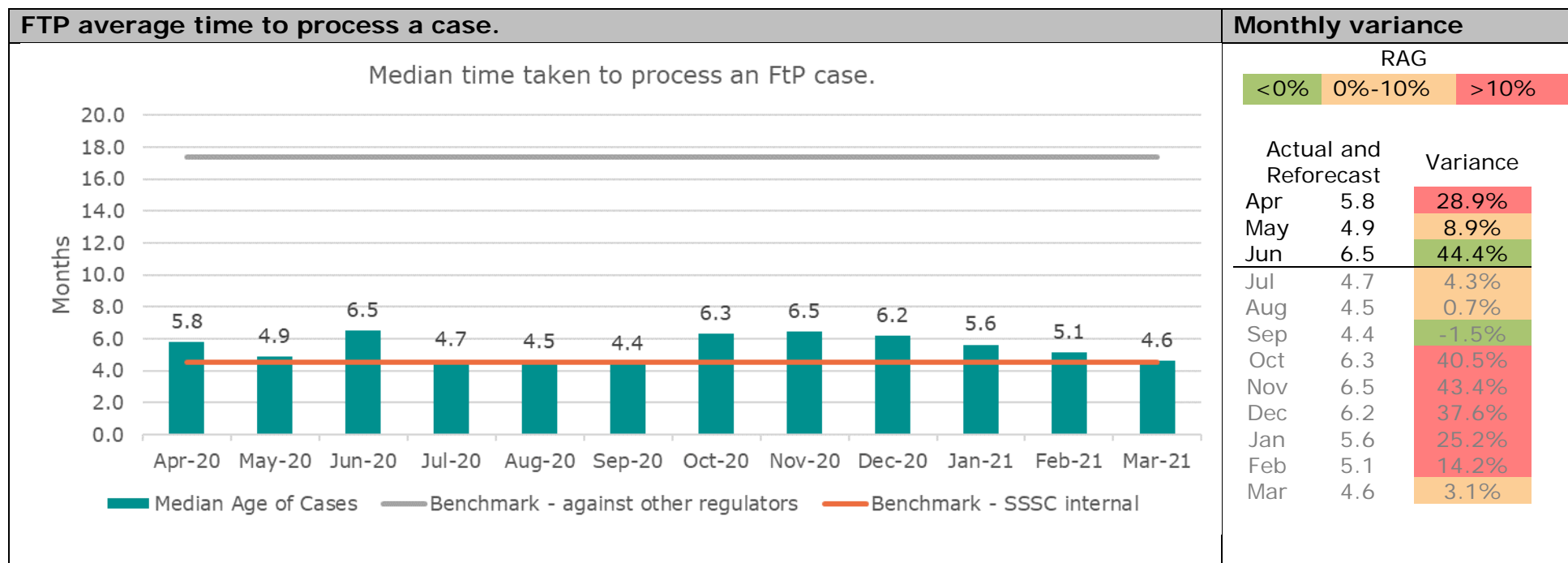
#### **Management Action and Risk**

This SPI is linked to strategic risk 1, we fail to ensure that our system of regulation meets the needs of people who use services and workers, which is currently scored as 16 (red) based on assessment last month. The high score for this risk relates to the risks relating to the next indicator 2.2.

Since the announcement of the 12-months rule for workers to be registered, we have experienced a reduction in new applications since March of around 25%. Some of the shortfall relates to Support Workers in Care at Home and Housing Support who should be registered by September 2020. We estimate there are still around 2,000 of these workers who have not yet applied for registration. We will be reminding workers and employers of the September deadline for Housing Support and Care at Home workers as there might be confusion with the relaxation of the 6-months rule.

This measure has not been significantly affected by the Temporary Social Work Register. 2528 previous registrants and 291 students were eligible to apply for registration. We have registered 174 previous registrants and 117 students. 5 previous registrants and 9 students have been employed.

### 3.2 Regulation: The average time taken to process a fitness to practise case is maintained at less time than organisations we benchmark against.



#### Assessment

This SPI reflects our work to deliver strategic outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise. Processing fitness to practice cases in a timely manner ensures concerns about applicants or registrants are addressed and the right people are on the register.

After working with the Director of Regulation and looking at similar organisations we have made changes to the measurements for this metric. These adjustments are to how we calculate the median and the benchmarks. We calculate the median based on cases in which the thresholds have been achieved, this is in line with other regulators and thus we are using the equivalent measure.



When considering the other regulators, a benchmark of 17.4 months for the median time to process an FtP case has been established. In comparison to this benchmark the SSSC are performing extremely well, for June the SSSC achieved a median closure time of 6.5 months. As we are performing strongly against the regulators benchmark, we have set ourselves an SSSC internal benchmark, currently based on last year's performance, of 4.5 months.

The biggest factor in our performance will be the impact of the decisions made around COVID-19 and when these might be changed. Currently we are not seeking information from employers in lower risk cases which means that these cases will be ageing, once we eventually start to close these cases, we could see a shift in the age of the cases closed. We will also see production increase once COVID-19 measures reduce as currently we have reduced capacity due to FtP staff caring for others such as children or elderly relatives.

However, we are anticipating changes to these measures in October 2020. For the next few months we expect the median age of our open cases to increase. However, once the COVID-19 measures change this will allow us to progress all our cases once again, which will result in a spike of older cases being processed and this is projected in the above graphic. Once the older cases have been progressed, we would expect to return to the trend we saw before COVID-19.

In June we didn't process some incoming cases which we would normally progress quickly. In July and August we expect to be working through a larger amount of screening cases, which are shorter cases and thus bring the age of cases process back down.

### **Management Action and Risk**

This SPI is linked to strategic risk 1, we fail to ensure that our system of regulation meets the needs of people who use services and workers.

COVID-19 and our response to it has had an impact on progress of cases:

- A delay in recruitment of the staff approved for the 2020/21 budget. This means we currently remain understaffed.
- Fitness to Practise staff capacity reduced due to caring responsibilities and motivational impact. We estimate capacity has reduced by one third.
- EMT decision to stop overtime.
- Criminal cases delayed and delays in information from Police Scotland and courts.
- We are not seeking information from employers in lower risk cases.

- Impairment hearings delay. We paused hearings in March, but are rescheduling from July onwards and are reintroducing physical socially distanced hearings on 17 August.

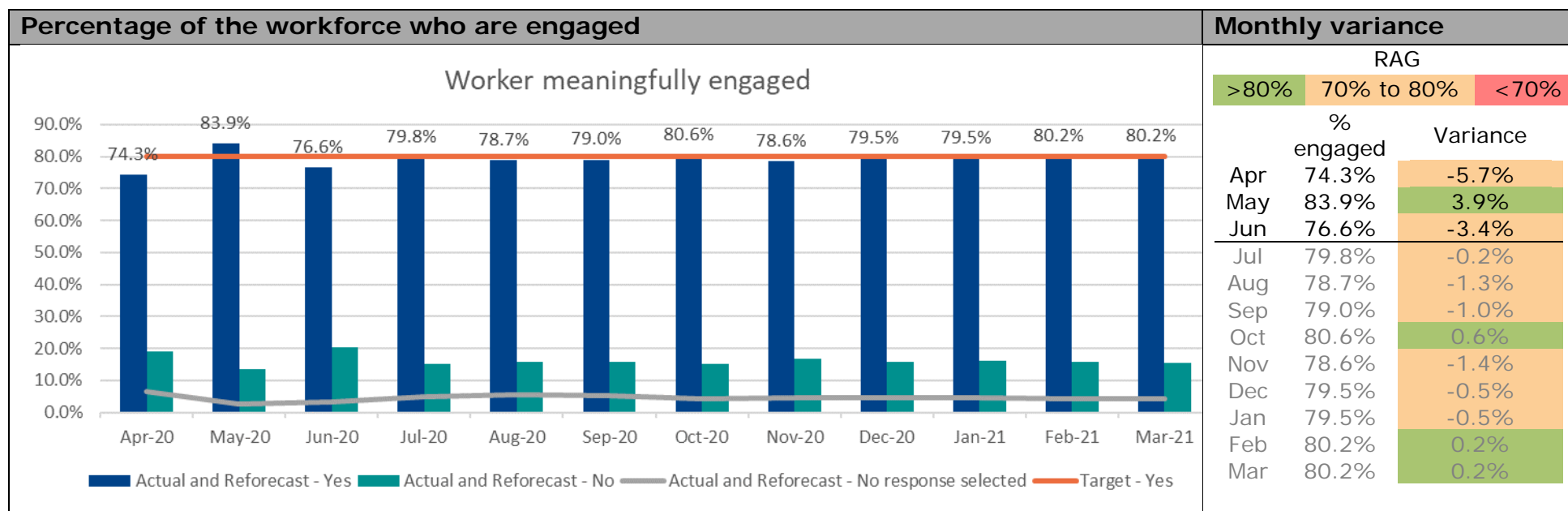
#### Actions taken or planned:

- Planning to revert to pre COVID-19 processes. We will slowly start phasing in investigations on existing cases. We have started holding appropriate Impairment Hearings remotely, with physical hearings recommencing on 17 August
- Recruitment of new staff to bring department up to full modelled head count is underway. We are planning carefully to address challenges of remote inductions, including staggering recruitment to spread the impact of inducting new colleagues on existing staff. We have concluded recruitment of Senior Solicitors and Solicitors. Recruitment of Intake and Engagement Officers, Investigators and Precognition Assistants has started.
- Reviewing our referral criteria. This was set in 2016 when we moved to a fitness to practise model of regulation. We plan to take a report to August Council reviewing the criteria, and if approved implementing the new criteria on 1 October.
- Opt-in Hearings – planning for the transition to the Opt-in Hearings on 1 October, subject to approval or Rules by Scottish Ministers.
- Instruction of our external Legal Advisers to assist with conducting hearings.
- Rolling out the improved portal for all parties involved with a case to make exchange of documents more efficient and secure.
- Established a data group to identify challenges with obtaining information from other agencies/employers and actions to overcome those challenges.

#### Conclusion

- We remain understaffed due to the staggering of recruitment. Even when staff are appointed, in our normal working environment it takes an average of twelve months for a new staff member to become fully productive. It may be longer when home working. Current staff productivity is affected by caring responsibilities. This is currently manageable due to the reduction in referrals but will present a challenge as we move to business as usual.
- We are implementing structural changes around referrals and hearings which will improve our capacity.
- The key short-term measures we can implement to assist are overtime and use of our external legal presenters to conduct hearings. We have started to instruct our external legal presenters. EMT decided to stop overtime as a result of COVID-19. That presents a risk to the progression of our caseload. EMT will discuss this and the potential financial impact.

### 3.3 Regulation: Increase the percentage of the workforce who are engaged when they are involved with the fitness to practise process.



#### Assessment

This SPI reflects our work to deliver strategic outcome 1, People who use services are protected by ensuring the regulated workforce is fit to practise, by measuring how engaged workers have been with the FtP process.

It is believed that the current data for April, May and June 2020 could be artificially high due to how meaningful engagement is recorded. However, we predict that the proportion of people meaningfully engaged will remain around 80%, we will revise the trend if we see significant changes in July, which the Regulation team believe will give us a more accurate picture. The reason for this anticipated change is that the Fitness to Practise department has reissued guidance, clarifying what the definition of meaningful engagement is.

Another factor which could disengage workers are delays to cases due to COVID-19. We have assumed no change in the pattern but will monitor if we see a reduction in engagement in COVID-19 delayed cases once investigations begin again and they reach the point of closure.

### **Management Action and Risk**

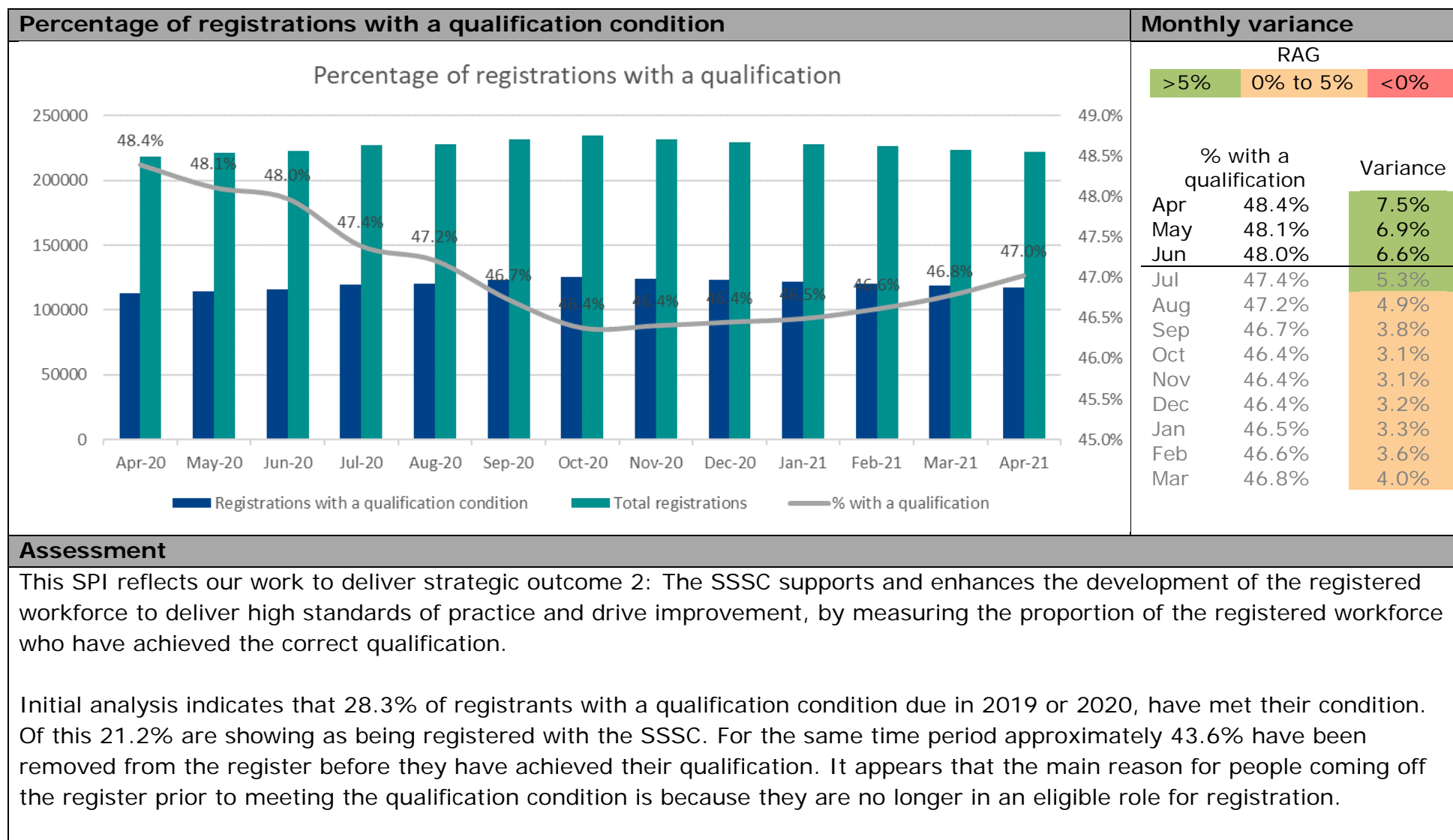
This SPI is linked to strategic risk 1, we fail to ensure that our system of regulation meets the needs of people who use services and workers which is currently scored as 16 (red) due to the issues around Fitness to Practise case closures (indicator 2.2).

Initial indications are that use of remote hearings has increased attendance at hearings, which is an important part of meaningful engagement. However, we need to monitor over a longer period to have certainty.

We implemented guidance for case holders on the definition of meaningful engagement on 10 June 2020. We anticipate that will lead to a reduction in the cases recorded as having meaningful engagement. This will provide us with a clearer picture of our baseline.

Meaningful engagement is responding to allegations (not necessarily admitting them but receiving a substantive response). We know that meaningful engagement makes a difference to outcome. Representation helps workers meaningfully engage, and we will continue to work to improve access to representation. We will also focus on education of the workforce about the importance of meaningful engagement, and how we can support them to do so.

### 3.4 Development and Innovation: increase the percentage of the registered workforce with the correct qualification



We are continuing this analysis looking into the length of time it takes to achieve a qualification, what the timeframe is for people coming off the register before completing their qualifications as well looking at the amount of extensions granted. Once we understand this information this should allow us to predict how many people will achieve qualifications over the next five years.

Work is underway to analyse the impact of COVID-19 on the overall qualification position of our registrants focusing on extensions. We have the data and aim to complete this analysis for the next assurance report.

### **Management Action and Risk**

This SPI is linked to strategic risk 2, we fail to ensure that our workforce development function supports the workforce and employers to achieve the right standards and qualifications to gain and maintain registration, which is currently scored as 9 (amber).

Under the regulatory changes the SSSC made in March we extended qualification conditions for registrants to allow them an additional 12 months to gain their qualification. Work is underway to understand the impact of this decision and the unintended consequences on the SSSC strategic performance measure 'percentage of registrants achieving their qualification' within the original agreed timescale.

As part of the assessment of this indicator we report quarterly on the percentage of registrations for each part of the register and the percentage of qualification conditions still to be achieved and timescales. This will be reported to Scottish Government on a quarterly basis to inform policy decisions in relation to funding and investment.

The SSSC published guidance for SVQ assessment centres in May to support SVQ and HNC candidates and assessors impacted by the COVID-19 pandemic. This supports individuals to achieve their qualifications and enter the workforce using revised and flexible assessment criteria such as digital technology and expert witness statements. We will evaluate the impact of these changes in partnership with SQA and Skills Development Scotland (SDS) to inform future improvements to the assessment criteria and quality assurance process of qualifications required for registration with the SSSC.

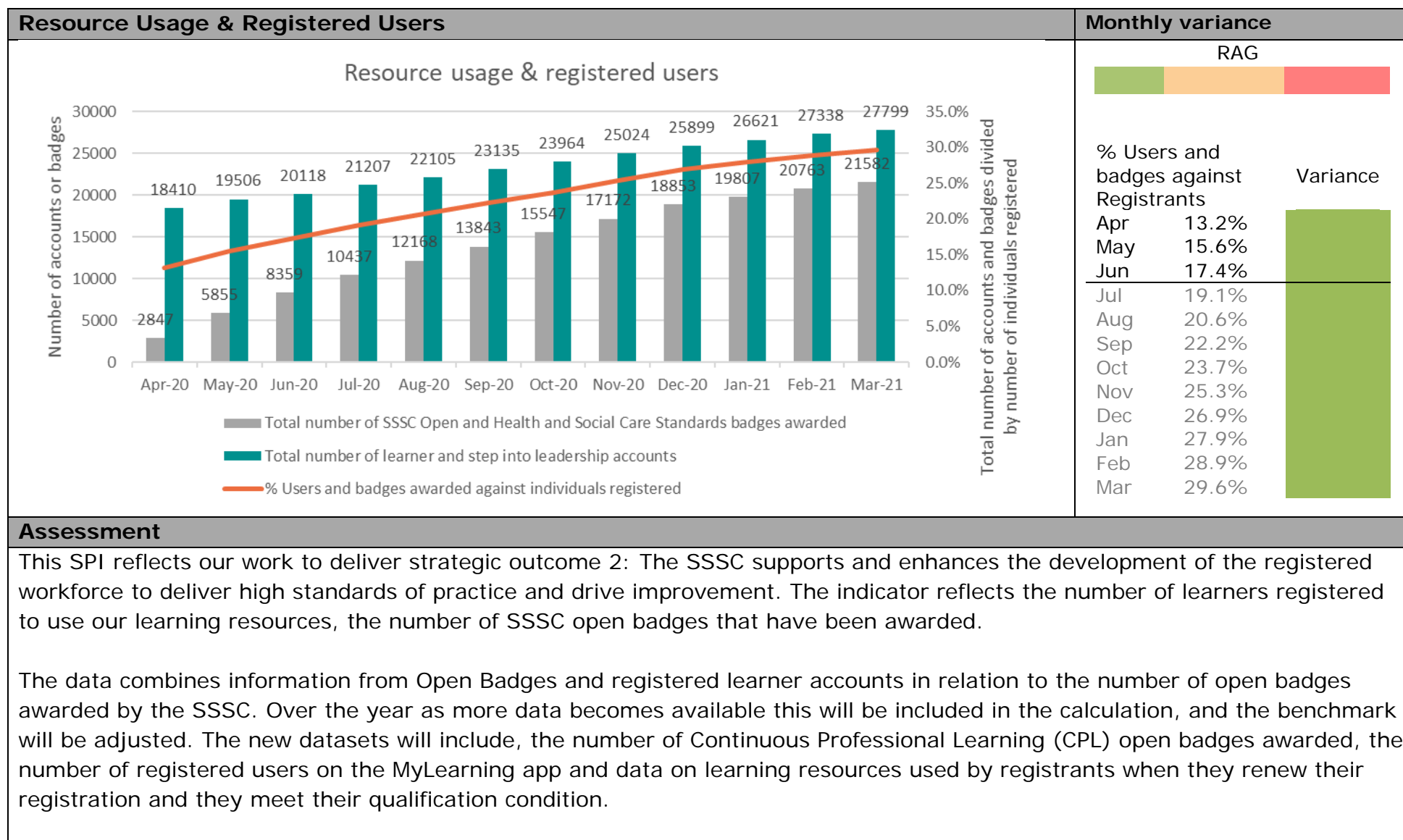
The expansion of the Early Learning and Childcare workforce is on hold. Contingency arrangements are in place for assessment of qualifications and access to qualifications. A review of readiness to resume plans for the expansion will take place in December 2020 and it is likely that the 1140 hours policy won't be implemented until August 2021. There will be an increase of

new Day Care Children workers registered in the 6-month period before and after the implementation date to meet the demand and this is likely to increase number of registrants registered with a qualification condition and will impact on this performance measure. It is not clear at this stage the extent of the COVID-19 impact on people gaining or accessing qualifications.

We are working with our partners on contingency arrangements for assessment of those individuals who are part way through a qualification on changes to programme delivery which may impact on the accessibility and uptake of qualifications for at least the next academic year ahead. We are also monitoring the impact of COVID-19 on the completion rates and uptake of apprenticeships.

We have worked with Scottish Government to review the Voluntary Sector Development Fund (VSDF). The priority groups for funding this year will continue to be Housing Support and Care at Home workers to support their registration with the SSSC.

### 3.5 Development and Innovation: Increase the percentage of the workforce using our learning resources to achieve Continuous Professional Learning.





Based on trend information and planning assumptions we predict that by the end of the financial year that the number of open badges awarded, and individuals registered will be 29.6%. This information will be used to inform the forward planning of our learning and development content and how we market our resources.

In addition, we have also surveyed registrants who have completed a qualification or renewed their registration asking, "As part of your qualification or Continuous Professional Learning did you use any SSSC learning resources?". To date we have received 387 completed responses with 67.7% of respondents indicating that they used SSSC resources to support their learning to achieve their qualification.

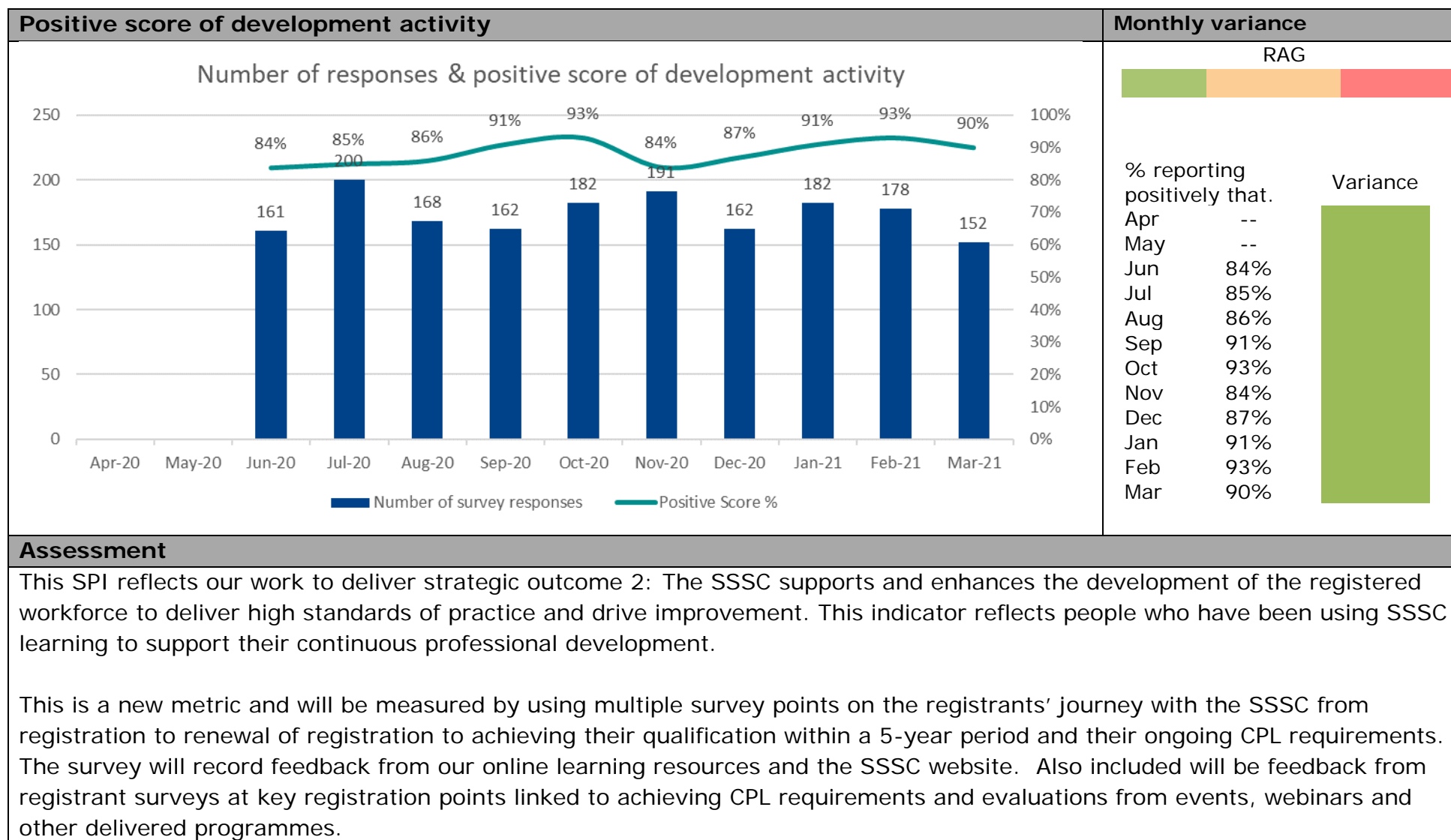
There are 3,157 individual registrants who have a qualification condition deadline between July 2020 and March 2021. Based on planning assumptions, we estimate that 2,137 of these registrants will use resources between now and end of March 2021. This information will be broken down by register part and registered service type to provide more information on customer behaviour. Further analysis will be undertaken to understand what resources are being used and for what purpose and more importantly how we can target promote and market our resources more effectively to those registrants who are not using our learning resources.

#### **Management Action and Risk**

This SPI is linked to strategic risk 2, we fail to ensure that our workforce development function supports the workforce and employers to achieve the right standards and qualifications to gain and maintain registration, which is currently scored as 9 (amber).

The SSSC is implementing a new approach to CPL to replace the existing SSSC Post Registration Training and Learning (PRTL) requirements. To support this the SSSC has developed the MyLearning app will launch in September 2020 MyLearning will replace the current system for registrants recording their PRTL. This will report more accurately on the number of new users, using our resources to evidence their CPD and for what purpose the resources are being used. This intelligence will be used as the basis for our business planning and development of resources to support the sector. As part of the new approach to CPL that we are launching in September 2020 we are developing a CPL open badge which people can use to evidence they have met their CPL requirements.

### 3.6 Development and Innovation: Percentage of those reporting positively that our development activity is delivering the support required by the workforce.



In June 2020 we received 161 responses with 84% giving a positive response to the question (a score of 4 or 5). Following three months of data we will be able to predict future trends in relation to the consumption and application of learning resources by our registrants.

Over 91% of the respondents who selected a score of 1 also indicated that they didn't use any SSSC learning resource as part of their qualification. Whereas 76% of people who did use a resource gave a positive score. This indicates that when resources are used people have a positive experience of doing so.

As part of the survey to registrants who have completed a qualification or have recently renewed their registration, we asked them to rate on a scale of 1 to 5 how much do the SSSC's learning resources support their development. For this survey based on 387 responses we received a positive score of 56%. However, when we take the strength of feeling into account the score increases to 60%. From this survey 30% of respondents scored the learning resources at a 5, 26% at a 4 and 20% a score of 1.

#### **Management Action and Risk**

This SPI is linked to strategic risk 2, we fail to ensure that our workforce development function supports the workforce and employers to achieve the right standards and qualifications to gain and maintain registration, which is currently scored as 9 (amber).

The introduction of survey points within the registrant SSSC journey and experience will provide the SSSC with intelligence on how customer behaviours and in relation to downloading learning and development resources and how registrant areas applying this learning to their qualification requirements and ongoing CPL requirements for the SSSC.

We will produce an annual report on this survey data, and this will be used to inform our business planning content and development of our learning resources. This data will also be used to inform our customer insights work and our marketing and communication strategy.

### 3.7 Development and Innovation: Percentage of those reporting positive awareness of workforce planning resources and report that resources are effective.

Effectiveness of workforce planning resources	Monthly variance
<b>Assessment</b>	
<p>This SPI reflects our work to deliver strategic outcome 3: Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce. The indicator reflects the number of people using our workforce planning resources and their rating of the content available.</p> <p>Surveys on the external workforce data and Careers in Care websites will form the basis for measuring monthly progress. We will work with the Careers Reference Group, Data Workforce Group and our Integrated Research / Models of Care group to evaluate their awareness and effectiveness of our workforce planning resources of these resources. These evaluations will take place at points throughout the year to ensure we achieve this outcome with relevant and timely data. The information gained throughout the year will be combined with an annual stakeholder questionnaire conducted on a much wider scale again asking the same (and more) questions of the working groups.</p> <p>The workforce data website is currently managed by an external vendor and we are working with them to implement pop up surveys into the website landing page. This will provide us with data to understand who uses the website what resources are being accessed by Scottish Government commissioners of services and employers and for what purpose.</p>	
<b>Management Action and Risk</b>	
<p>This SPI is linked to strategic risk 5, we fail to provide value to our stakeholders and demonstrate our impact, which is currently scored as 9 (amber).</p> <p>The workforce data website is currently managed by an external vendor and we are working with them to implement systems that will give pop up surveys and a feedback loop for our customers when they log onto the website landing page. This will provide us with a customer profile and intelligence to better understand customer experience in relation to who uses the website, what resources are being downloaded and for what purpose. The technical work required to support the collection of this data and will be completed by 31<sup>st</sup> August.</p>	

Surveys from the workforce data and Careers in Care websites will form the basis for measuring monthly progress. We will work with the Careers Reference Group, Data Workforce Group and our Integrated Research / Models of Care Group to evaluate their awareness and effectiveness of our workforce planning resources. These evaluations will take place at every quarter to ensure that the data we publish is relevant and timely for our customers to support their workforce planning needs.

### **3.8 Development and Innovation: Deliver the SSSC's commitments under the National Health and Social Care Workforce Plan to schedule and evaluate satisfaction with the outputs.**

<b>Assessment</b>
<p>This SPI reflects our work to deliver strategic outcome 3: Deliver the SSSC's commitments under the National Health and Social Care Workforce Plan to schedule and evaluate satisfaction with the outputs.</p> <p>Qualitative and contextual information will be provided on a 6-monthly basis to demonstrate progress and satisfaction with outputs - this work will very much involve engagement with our stakeholders and understanding the impact of our work for them. This indicator will be present on all assurance reports to provide an audit trail.</p>
<b>Management Action and Risk</b>
<p>This SPI is linked to strategic risk 5, we fail to provide value to our stakeholders and demonstrate our impact, which is currently scored as 9 (amber).</p> <p>Due to the current situation all workstreams of the National Health and Social Care Workforce Plan are on hold. This programme of work is led by Scottish Government and we will be guided by it in terms of resumption of the work, however indications are this is likely to be August 2020. We have provided feedback on the refreshed Integrated Joint Health and Social Care National Workforce Plan and the SSSC and we will continue to support the delivery of the social care element of the plan in partnership with OCSWA and COSLA. The public health crisis has highlighted challenges in the social care system including parity with health skills investment, recruitment creating a sustainable workforce and terms and conditions.</p> <p>The outputs for this programme of work that are led by the SSSC will be reported to the Audit and Assurance Committee every 6 months.</p>

### 3.9 Regulation: Deliver the restructure of the Register to support the sector.

#### Assessment

This SPI reflects our work to deliver strategic outcome 3: To deliver the restructure of the register to support the sector. The indicator reflects improvements to be made to the register to support registrants.

A project plan will be implemented, and progress monitored against milestones. A baseline will be established before the implementation of the project plan. This will be included as part of the quarterly update to Audit and Assurance Committee. This will be present on all assurance reports to provide an audit trail, however the updates may only be 6-monthly.

#### Management Action and Risk

This SPI is linked to strategic risk 1, we fail to ensure that our system of regulation meets the needs of people who use services and workers which is currently scored as 16 (red).

This work is subject to a large number of uncertainties. Work had commenced on a joint project with the Care Inspectorate (CI) who is reviewing its care service definitions. Both organisations have a desire to ensure that their legislative framework meets the requirements of the delivery of services. The legislation of both organisations is linked, so changes the CI makes has a potential effect on our register.

This project was led by the CI sponsor team and had reached the point of instruction of a consultant to carry out an exercise of gathering views from the sector on the definitions of care services and the operation of the register. That instruction was put on hold due to COVID-19.

We need to consult with CI and our Sponsor Team about how we progress this project in the current environment and will have a more detailed update for the next Audit and Assurance Committee.

## 4. Risk Highlights


The full strategic risk register is available at appendix 1 of this report


Risk No.	Link to Outcome	Risk Description	Gross Risk			Residual Risk			Owner	Movement
			Impact	Probability	Score	Impact	Probability	Score		
1	1	We fail to ensure that our system of regulation meets the needs of people who use services and workers	5	4	20	4	4	16	Director of Regulation	↔
2	2,3	We fail to ensure that our workforce development function supports the workforce and employers to achieve the right standards and qualifications to gain and maintain registration	4	4	16	3	3	9	Director of Development and Innovation	↔
3	1	We fail to meet corporate governance, external scrutiny and legal obligations	4	4	16	2	2	4	Director of Finance and Resources	↔

4	1,2,3	We fail to plan and resource our activities to deliver our digital strategy	4	3	12	3	3	9	Director of Strategy and Performance	↔
5	1	We fail to provide value to our stakeholders and demonstrate our impact	3	4	12	3	3	9	Director of Strategy and Performance	↔
6	1,2,3	We fail to develop and support SSSC staff appropriately to ensure we have a motivated and skilled workforce to achieve our strategic outcomes	5	4	20	3	3	9	Chief Executive	↓
7	1	The SSSC fail to secure sufficient budget resources to fulfil the financial plans required to deliver the strategic plan	4	5	20	4	3	12	Director of Finance and Resources	↔
8		The current Business Continuity Plan in place, is not up to date, for the SSSC	4	5	20	2	2	4	Chief Executive	↓
9		The SSSC is unable to operate due to effects of global pandemic COVID-19	5	5	25	5	3	15	Chief Executive	










1	1	<p>We fail to ensure that our system of regulation meets the needs of people who use services and workers.</p> <p><b>Cause:</b></p> <p>We take too long to make a decision, or make an indefensible decision due to:</p> <ul style="list-style-type: none"> <li>Insufficient staff as a result of increased referrals as our register expands, or external factors we cannot control such as the Scottish Abuse Inquiry, <del>or</del> errors in our resource model assumptions, <u>staff capacity being affected by COVID-19, recruitment being delayed due to COVID-19, we are unable to use overtime to mitigate staff depletion due to EMT decision at start of COVID-19</u></li> <li>Ineffective quality assurance, decision-making frameworks or systems.</li> </ul> <p>Our processes and approach have a negative impact on those affected by them.</p> <p>Our legislative framework is a structural barrier to flexible working across care.</p> <p><u>Our response to COVID-19 means that people are working unregistered or without their fitness to practise being assessed</u></p> <p>The impact of Covid-19 means that other agencies are unable to provide us with the information we need to make fitness to practise decisions or we are unable to hold a fitness to practise hearing.</p> <p><u>Failing to respond proportionately to COVID-19 means that limited workforce capacity is spent responding to regulatory requirements.</u></p> <p><b>Consequence:</b></p> <p>A worker is on the register who is not fit to practise and as a consequence a service user is harmed.</p> <p>Care cannot be delivered in a person-centred way because of barriers caused by registration and fitness to practise approach and processes, which leads to poorer outcomes for people using services.</p> <p>A worker leaves the sector unnecessarily because of our processes and decisions, which compromises the ability for care to be delivered to people using services.</p> <p>Our processes have a detrimental impact on workers and it affects their health and personal circumstances.</p> <p>The public lose confidence in the profession and us as regulator.</p>	5	4	20	<p><b>Existing Mitigation and Controls</b></p> <p>Rules and frameworks based on risk in place to ensure legal compliance, fairness and consistency.</p> <p>Digital systems to manage our processes and casework, with ongoing development of those systems</p> <p>Resource modelling for calculating our staff base.</p> <p>Quality assurance and audit process in place for staff and panel decision making.</p> <p>Publicising hearing outcomes and decisions.</p> <p>Improved triage system implemented in November 2019 to decrease the number of referrals that are opened as cases requiring full investigation.</p> <p>Use of external legal presenter services to undertake conduct of panel hearings to provide additional capacity.</p> <p><del>Use of overtime to provide additional capacity.</del></p> <p><u>Proportionate response to COVID-19, temporarily pausing or scaling back some regulatory requirements and expanding others.</u></p> <p>Use of technology to hold remote hearings.</p> <p><b>Planned Mitigation and Controls</b></p> <p>Implementation of Opt-in Hearings which will reduce the number of hearings held – has been affected by Covid-19 due to Scottish Gov resources. Estimated implementation of <del>October</del> <u>July</u> 2020.</p> <p>Service redesign project – in early planning stages. Has been delayed due to Covid-19. Will likely start in quarter three.</p> <p>Officers are working with the Abuse Inquiry Panel to determine the required input from SSSC.</p> <p>Change to the structure of our register to make it less bureaucratic and therefore more supportive of a dynamic workforce and require less internal resources to maintain – long-term project for completion by 2022.</p>	4	4	16	Director of Regulation	
---	---	--	---	---	----	--	---	---	----	------------------------	---

		<u>The workforce does not have sufficient capacity to provide care and support to people who use services because they are responding to our regulatory requirements</u>				<p>Scoping work being carried out in conjunction with Scottish Government and the Care Inspectorate has been delayed due to <u>COVID-19</u>.</p> <p>Recruitment of additional staff to bring fitness to practise workforce up to modelled requirements has been delayed due to <u>COVID-19</u>. <u>It should be completed by the end of August</u>. Working from home has affected our capacity to induct and train new staff. <u>This should be mostly mitigated by the end of August as schools and childcare services resume service provision</u>.</p> <p>Review of fitness to practise referral criteria - <u>Our temporary amendment to our referral criteria in response to Covid-19 has reduced the incoming workload to a manageable level for current staff numbers, given that staff productivity is affected by the impact of working from home. We will use this time to review the criteria and propose any appropriate amendments which help target our resources at the appropriate cases which require regulatory intervention. Planned implementation date 1 October 2020</u>.</p> <p><u>Resumption of overtime in Fitness to Practise will be discussed at EMT in July</u>.</p>					
2	2 3	<p>We fail to ensure that our workforce development function supports the workforce and employers to achieve the right standards and qualifications to gain and maintain registration</p> <p><b>Cause:</b> Our contribution to developing resources does not meet the needs of registrants and employers. Our standards don't meet the needs of employers. Limited funding for individuals and employers to support formal learning. <del>Our</del>Our legislative framework is a structural barrier to flexible working across care.</p> <p>Individuals are not able to complete qualifications.</p> <p><b>Consequence:</b> Workers are not registered or removed from the register, leading to gaps in service delivery which affects the delivery of care to people using services. Reduced confidence of public protection. Existing qualifications and standards do not support new models of care. Workers are unable to adhere to the SSSC codes of practice.</p>	4	4	16	<p>The SSSC produce <u>a</u> quarterly workforce intelligence report on qualification conditions used at a national and local level by SG and employers to support employers plan for the qualification's conditions required for their workforce to be registered with the SSSC.</p> <p>Through our workforce planning activity, we will publish data on training provision across Scotland to meet this demand. Using our workforce planning data, we are working with Skills Development Scotland, the Scottish Qualifications Authority and Scottish Government in relation to the capacity and resources required for the <b>65,00</b> workers to gain a qualification. <u>Can we clarify if this relates to number of people or number of registrations</u></p> <p>We are working with Scottish Care and CCPs on the promotion and allocation of funding to employers. This includes the voluntary sector development fund and individual learning accounts and work with NES and the student awards agency Scotland to raise awareness of the part time grant fee.</p> <p>We have developed career pathways resources to promote a career in social care</p>	3	3	9	Director of Development and Innovation	


					<p>which link to qualifications funding and registration.</p> <p>Working with the College sector to further develop social care academies across Scotland and the sharing of resources.</p> <p><b>Planned actions</b></p> <p><del>Review of the register (linked to risk 1).</del></p> <p><del>Work is underway with SQA, SDS and the college sector in the review of the design standards and quality assurance of qualifications e.g. SVQ's and modern apprenticeships.</del></p> <p><del>The SSSC is part of the UK Skills for Care and Development Partnership, and the Sector Skills Council for social service workers in Scotland. As a result of the pandemic we are reviewing with our UK partners whether the current National Occupational Standards (NOS), which underpin qualifications for registration with the SSSC, continue to meet the needs of employers and the workforce post COVID-19</del></p> <p><del>The Scottish Government campaign to recruit people to work in adult social care launches on 27 January 2020.</del></p> <p><del>Under the regulatory changes the SSSC made in March we extended qualification conditions for registrants to allow them an additional 12 months to gain their qualification. Work is underway to understand the impact of this decision and the unintended consequences on the SSSC strategic performance measure 'percentage of registrants achieving their qualification' within the original agreed timescale</del></p> <p><del>we will also consider the impact of decisions taken by national bodies such as Scottish Qualifications Authority (SQA) in extending timescales for the completion of vocational awards to allow time for the completion of SVQs for those who have had to suspend their studies.</del></p> <p><del>The SSSC is an advisor to the campaign team providing expertise, evidence and knowledge to inform and set the direction of the campaign which resulted in a focus on recruiting to adult social care, the area of the sector where recruitment is most challenging.</del></p> <p><del>The SSSC was involved in the research for the campaign and has worked closely with the Scottish Government policy team and marketing team to ensure that the messaging and content of the campaign aligns with other aspects of social care career and workforce development e.g. the campaign website content and the links with the SSSC's new careers in care website, both of which promote information about the experience and qualifications required.</del></p>				
--	--	--	--	--	--	--	--	--	--

3	1	<p>We fail to meet corporate governance, external scrutiny and legal obligations</p> <p><b>Cause:</b> Corporate governance arrangements <del>that</del> are not effectively discharged at the right level. Insufficient project management. Unclear policies and procedures. Lack of management.</p> <p><b>Consequence:</b> Loss of credibility. Conflicts of interest. Fraud. Data breach/loss. Information and records management does not comply with legislative requirements. Reduced quality of challenge and oversight. Reduced public confidence. Qualified audit. Further section 22 <u>action</u>. Failure to deliver strategic objectives.</p>	4	4	16	<p>Current review of corporate governance to rationalise and streamline structure.</p> <p>Section 22 report improvement -action plan updated at quarterly committee with progress.</p> <p>Shared services review ongoing – due to be completed <del>at July</del> <u>October 2</u> 2020</p> <p>–</p> <p>New PMO approach in place</p> <p><b>Planned Actions</b></p> <p>-Policy library review underway and new policy writing guidance issued. Recent data breach reported to ICO and new security measures being implemented.</p>	2	2	4	<p><del>Director of Strategy and Performance</del> <u>Director of Finance and Resources</u></p>	
4	1 2 3	<p>We fail to plan and resource our activities to deliver our digital strategy.</p> <p><b>Cause:</b> Poor project options appraisal, scoping and business case development. Insufficient funds allocated. Lack of staff, skills and knowledge. Lack of project management and governance. Lack of IT policies.</p> <p><b>Consequence:</b> Additional expenditure. Projects not completed; digital strategy outcomes not delivered/strategic outcomes not achieved. Reduced confidence in system processing. <del>F</del>ailure to register people on time. Potential loss of data. ICT downtime. Vulnerable to cyber attacks</p>	4	3	12	<p><b>Digital Programme for 2020/21 developed</b> <del>Planned actions</del></p> <p><del>Publish new Digital Strategy – June 2020 – delayed due to covid planned for early 2021</del></p> <p>Procurement project to re-provision maintenance and development contract – November 2020</p> <p><del>New IT security policy to be implemented March 2020 – to be agreed at May</del> <u>New ICT Policy agreed</u></p> <p><u>Planned actions</u></p> <p><u>New 2020/21 Digital Programme to be agreed at July Digital Programme Board</u></p> <p><u>Publish new Digital Strategy - June 2020 – delayed due to covid planned for early 2021</u></p>	3	3	9	Director of Strategy and Performance	
5	1	<p>We fail to provide value to our stakeholders and demonstrate our impact.</p> <p><b>Cause:</b> Impact of the Independent care review. Use of complex and formal language. People don't understand how we make decisions. Insufficient management of key relationships. Stakeholders do not have the capacity/resources to engage. We don't lead nationally on core SSSC functions. Limited ability/resource to market the role of SSSC.</p>	3	4	12	<p><del>Discovery project for the personalisation of MySSSC underway. Business case for large scale user research to develop MySSSC functions and Digital Strategy to be agreed at July Digital Programme Board</del></p> <p>Reviewed Involving People with lived experience to a model of joint working with CI Involving People Group.</p> <p><u>New interim communications strategy produced and agreed at Council due to</u></p>	3	3	9	Director of Strategy and Performance	

		<p><b>Increased scrutiny due to decision making around covid-19 at a national level.</b></p> <p><b>Consequence:</b> Reduced public confidence. Lack of stakeholder involvement/engagement in delivery of strategic outcomes not achieved. Stakeholder voice is not heard. Poor perception of registration. Under utilisation of SSSC resources.</p>				<p><del>Covid-19. This replaced the previously planned work. Please refer to Strategy for detail of activity.</del></p> <p><del>Strategic measures for gathering data for strategic plan include views and perception of stakeholders agreed at Council</del></p> <p><del>Scoping of a best value plan for 2020-2023.</del></p> <p><b>Planned actions</b></p> <p><del>Review of outcomes based budgeting approach to commence in late 2020.</del></p> <p><del>New interim communications strategy produced and agreed at Council due to Covid-19. This replaced the previously planned work. Please refer to Strategy for detail of activity.</del></p>					
6	1 2 3	<p>We fail to develop and support SSSC staff appropriately to ensure we have a motivated and skilled workforce to achieve our strategic outcomes.</p> <p><b>Cause:</b> Lack of a strategic workforce plan and ineffective workforce planning at directorate and team level. Lack of effective monitoring of workload and capacity. Lack of an effective staff learning and development plan. Managers are unaware of their duties in relation to supporting staff. Lack of managed mandatory training programme. No consistent approach to development discussions. No consistent approach to leadership and management development. No mentoring programme for new staff. Outcomes of job evaluation.</p> <p><b>Consequence:</b> High turnover of staff. Loss of IIP status. Inability to deliver our strategic objectives. Dismissal of staff due to poor performance. Unfair/constructive dismissal claim. Legal claim under Equalities act. Reputational damage. Reduced ability to influence change and policy development.</p>	5	4	20	<p>OD review completed and 6 areas of high priority work have been developed <u>and are progressing</u>.</p> <p>OD Programme Board established <del>to take forward the work required to oversee delivery</del></p> <p>New Head of OD <u>and Employee Development Adviser</u> posts established and <del>will</del><u>should</u> be in post <del>August</del><u>July</u> 2020.</p> <p><del>Review of the impact of job evaluation JEGS process has highlighted significant anomalies. Issues with pay and grading structure to be addressed and further scoping work required.</del></p>	3	3	9	Chief Executive	
7	1	<p>The SSSC fail to secure sufficient budget resources to fulfil the financial plans required to deliver the strategic plan.</p> <p><del>Cause:</del> <b>Cause:</b></p>	4	5	20	<p>Financial Strategy that considers current plus the next 6 years is in place and reviewed annually (last reviewed in June 2019; next review September 2020).</p>	4	3	12	Director of <u>Corporate Services</u> <u>Finance and Resources</u>	

		<p>Inability to convince Scottish Government as main funding source of our strategic priorities. Single year funding settlements to support a three-year strategic plan. The SSSC does not have up to date, comprehensive, forward looking financial plans aligned to the strategic plan. Failure to meet financial targets. Fee income is not in line with projections. Grant in Aid is reduced. Late notification of SG budget allocations. Financial implications of the COVID-19 pandemic affecting public finances.</p> <p><b>Consequence:</b> Adverse impact on our ability to deliver our strategic objectives. Reputational damage. Reduced confidence in our protection arrangements. Reduced future funding. Reduced ability to influence change and policy development.</p>				<p>2020 Financial Strategy review will include alignment to the new strategic plan that is currently being developed.</p> <p>Audit and Assurance Committee consider an assurance report that integrates the financial position, organisational performance and risks at each of its meetings.</p> <p>Budget performance reviewed at directorate and EMT level on a monthly basis.</p> <p>Strategic finance capacity bolstered by the appointment of a Director of Finance and Resources to work exclusively for the SSSC. Objective based budget planning <u>to</u> commenced.</p> <p>Resource models reviewed and updated and regularly compared to the actual position.</p> <p><b>Planned actions</b></p> <p>Financial strategy review to include scenario planning. Development of a revised fees policy.</p> <p>Close monitoring of the impact of COVID-19 on the progress of projects and the collection of fee income.</p>					
8		<p>The current Business Continuity <u>P</u>lan (<u>BCP</u>) in place, is not up to date, for the SSSC.</p> <p><b>Cause:</b> Revision of BCP was suspended pending completion of the digital transformation programme. Availability of resources to take forward the updating of business impact assessments and recovery plans. Untested plans.</p> <p><b>Consequence:</b> Modified audit options. Loss of front line services to registrants with no recovery plan. Mismanagement of major incident .</p>	4	5	20	<p>Due to Covid-19 our plans were updated, and a new process has been defined earlier than planned.</p> <p>Action Records and debriefing templates are being used to define the new process which will be rolled out earlier <u>th</u>an expected in August 2020.</p> <p><b>Planned actions</b></p> <p>Timetable for future testing of plans to be agreed.</p>	2	2	4	Chief Executive	



9		<p>The SSSC is unable to operate due to effects of global pandemic COVID-19.</p> <p><b>Cause:</b> COVID-19 flu pandemic Delivery of services operating in an uncertain environment with changes to practice and controls. Direct instruction from Scottish Government to respond to sector needs.</p> <p><b>Consequence:</b> Financial losses due to not chasing of fees. Business Plan objectives will not be achieved. Increase the demand on SSSC service due to temporary changes to regulation and Impact on the availability of staff to run core services. Panic buying could limit SSSC's ability to purchase items to support the sector. 3<sup>rd</sup> party staffing levels may not be sustained to support SSSC core functions. Risk to the safety of service users by changing our approach to regulation to increase capacity in the sector. Inability to flex our statutory functions and which creates a barrier to the workforce being able to respond to the pandemic. Our infrastructure and working practices do not support home working. Our staff are not supported.</p>	5	5	25	<p>Please refer to business impact assessment for breakdown of operational risks. Other actions include:</p> <p>Daily monitoring of SG guidance.</p> <p>Business continuity plan enacted – detail operation plans</p> <p>Weekly liaison with SG, other regulators and supporting stakeholders</p> <p>Review of business plans to identify what is not achievable in 202/21. EMT to agree late May</p> <p>Changes to the register and fitness to practise to support increased capacity in the sector</p> <p>Changes to student places to support increased capacity to the sector</p> <p>Work with NES on a hub for recruitment into social care</p> <p>Recovery plan process now active and return to business as usual is being pursued in accordance with Scottish Government Route Map.</p> <p>New areas of work have been identified and business plans reviewed to take account of the needs of the sector in light of the COVID-19 response.</p>	5	3	15	Chief Executive	
---	--	--	---	---	----	---	---	---	----	-----------------	---



## RISK SCORING MATRIX

**Table 1 Impact scores**

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
<b>Impact on the safety of, staff or public (physical/psychological harm)</b>	Minimal injury requiring no/minimal intervention or treatment.  No time off work	Minor injury or illness, requiring minor intervention  Requiring time off work for >3 days	Moderate injury requiring professional intervention  Requiring time off work for 4-14 days  RIDDOR/agency reportable incident  An event which impacts on a small number of stakeholders	Major injury leading to long-term incapacity/disability  Requiring time off work for >14 days  Mismanagement of cases with long-term effects and impacts of service users	Incident leading to death  Multiple permanent injuries or irreversible health effects  An event which impacts on a large number of stakeholders
<b>Quality/complaints/audit</b>	Peripheral element of treatment or service suboptimal  Informal complaint/inquiry	Overall service suboptimal  Formal complaint (stage 1)  Local resolution  Single failure to meet internal standards  Minor implications if unresolved  Reduced performance rating if unresolved	Service has significantly reduced effectiveness  Formal complaint (stage 2) complaint  Local resolution (with potential to go to independent review)  Repeated failure to meet internal standards  Major implications if findings are not acted on	Non-compliance with national standards with significant risk if unresolved  Multiple complaints/ independent review  Low performance rating  Critical report	Totally unacceptable level or quality of service  Gross failure of findings not acted on  Inquest/ombudsman inquiry  Gross failure to meet national standards
<b>Human resources/ organisational development/staffing/ competence</b>	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff  Unsafe staffing level or competence (>1 day)  Low staff morale  Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff  Unsafe staffing level or competence (>5 days)  Loss of key staff  Very low staff morale  No staff attending mandatory/ key training	Non-delivery of key objective/service due to lack of staff  Ongoing unsafe staffing levels or competence  Loss of several key staff  No staff attending mandatory training /key training on an ongoing basis
<b>Statutory duty/ Governance/inspections</b>	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation  Reduced performance rating if unresolved	Single breach in statutory duty  Challenging external recommendations/ improvement notice	Enforcement action  Multiple breaches in statutory duty  Improvement notices  Low performance rating  Qualified audit	Multiple breaches in statutory duty  Prosecution  Complete systems change required  Zero performance rating  Severely critical report
<b>Adverse publicity/ reputation</b>	Rumours  Potential for public concern	Local media coverage – short-term reduction in public confidence  Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House)  Total loss of public confidence
<b>Business objectives/ projects</b>	Insignificant cost increase/ schedule slippage	<5 per cent over project budget  Schedule slippage	5–10 per cent over project budget  Schedule slippage	Non-compliance with national 10–25 per cent over project budget  Schedule slippage  Key objectives not met	Incident leading >25 per cent over project budget  Schedule slippage  Key objectives not met
<b>Finance including losses and claims</b>	Loss or compensation of under £1,000	Loss of up to £25k of budget  Loss or compensation less than £10,000	Loss of £25k+ to £100k of budget  Loss or compensation between £10,000 and £50,000	Uncertain delivery of key objective/Loss of £100k+ to £500k of budget  Loss or compensation between £50,000 and £1150,000  Purchasers failing to pay on time	Non-delivery of key objective/ Loss of >£500k of budget  Failure to meet specification/ slippage  Loss of contract / payment by results  Loss or compensation >£150,000
<b>Service/business interruption Environmental impact</b>	Loss/interruption of >1 hour  Minimal or no impact on the environment	Loss/interruption of >8 hours  Minor impact on environment	Loss/interruption of >1 day  Moderate impact on environment	Loss/interruption of >1 week  Major impact on environment	Permanent loss of service or facility  Catastrophic impact on environment
<b>Breaches of confidentiality involving person identifiable data (PID), including data loss</b>	No significant reflection on any individuals or body. Media interest very unlikely	Damage to an individual's reputation. Possible media interest, e.g. celebrity involved	Damage to a team's reputation. Some local media interest that may not go public	Damage to a service reputation/ low key local media coverage  Damage to an organisation's reputation/ local media coverage	Damage to SSSC reputation/ National media coverage.  Serious breach with potential for ID theft or over 1000 people affected
	Minor breach of confidentiality. Only a single individual affected	Potentially serious breach. Less than 5 people affected or risk assessed as low, e.g. files were encrypted.	Serious potential breach & risk assessed high, e.g. unencrypted file lost. Up to 20 people affected.	Serious breach of confidentiality, e.g. up to 100 people affected	

**Table 2 Probability score (L)**

What is the likelihood of the consequence occurring?

The frequency-based score is appropriate in most circumstances and is easier to identify. It should be used whenever it is possible to identify a frequency of occurrence.

Likelihood score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost certain
Frequency How often might it/does it happen	This will probably never happen/recur	Do not expect it to happen/recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/recur but it is not a persisting issue	Will undoubtedly happen/recur, possibly frequently

**Table 3 Risk rating = consequence x likelihood ( C x L )**

Consequence scores (C)	Likelihood scores (L)				
	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

For grading risk, the scores obtained from the risk matrix are assigned grades as follows

1 - 3	LOW risk
4 - 6	MODERATE risk
8 - 12	HIGH risk
15 - 25	EXTREME risk

#### Instructions for use

1. Define the risk(s) explicitly in terms of the adverse consequence(s) that might arise from the risk.
2. Use table 1 to determine the consequence score(s) (C) for the potential adverse outcome(s) relevant to the risk being evaluated.
3. Use table 2 to determine the likelihood score(s) (L) for those adverse outcomes. If possible, score the likelihood by assigning a predicted frequency of occurrence of the adverse outcome. If this is not possible, assign a probability to the adverse outcome occurring within a given time frame, such as the lifetime of a project. If it is not possible to determine a numerical probability then use the probability descriptions to determine the most appropriate score.
3. Calculate the risk rating by multiplying the consequence score by the likelihood score:  
C (consequence) x L (likelihood) = R (risk score)
4. Identify the level at which the risk will be managed in the organisation, assign priorities for remedial action, and determine whether risks are to be accepted on the basis of the colour bandings and risk ratings, and the organisation's risk management system. Include the risk in the organisation risk register at the appropriate level.

#### Scoring system in the trend column of the summary tables

In the trend section up to 6 months is judged as 'improving' greater than six months is 'gradually improving' and 'steady' is self explanatory.



# **SSSC**

## **Audit Needs Assessment and Strategic Plan 2020 to 2023**

**Internal Audit Report No: 2021/03**

**Draft issued: 13 July 2020**

**2<sup>nd</sup> Draft issued: 20 July 2020**

**Final issued:**



# Contents

		<b>Page No.</b>
<b>Section 1</b>	<b>Introduction</b>	<b>1 - 2</b>
<b>Section 2</b>	<b>Audit Needs Assessment</b>	<b>3 - 13</b>
<b>Section 3</b>	<b>Strategic Plan 2020 to 2023</b>	<b>14 - 16</b>



# Section 1 - Introduction

- 1.1 We have been appointed as Internal Auditors of the Scottish Social Services Council ('SSSC') for the period from 1 April 2020 to 31 March 2023, with the option to extend for a further two 12-month periods.
- 1.2 Internal audit primarily provides an independent and objective opinion to Council on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the SSSC's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the SSSC. Internal audit also provides an independent and objective consultancy service specifically to assist line management to improve SSSC's risk management, control and governance.
- 1.3 The purpose of this document is to present for consideration by the Audit and Assurance Committee the Audit Needs Assessment (ANA) and the Strategic Plan for the period 2020 to 2023. Once this has been approved a separate Annual Plan for 2020/21 will be prepared and will be presented to a subsequent meeting of the Audit and Assurance Committee for formal approval.
- 1.4 The consideration of the audit needs for the financial years 2020/21 to 2022/23 has been informed by the strategic risk register; the Strategic Plan 2020 to 2023; the Annual Strategic Delivery Plan 2020/21 and through discussion with senior management. One to one interviews were conducted with each member of the Executive Management Team (EMT) and these discussions informed the preparation of the Audit Needs Assessment and the Strategic Plan shown in Sections 2 and 3 below. It should be noted that the 2020/21 reviews of Equality and Diversity and Risk management were agreed with senior management prior to the commencement of the ANA exercise and the assignment plans for these reviews were presented to the May 2020 meeting of the Audit and Assurance Committee.
- 1.5 The assessment covered the main areas where the SSSC is exposed to risk that can be managed through internal control, and which therefore should be considered for examination by internal audit. The assessment took no account of the resources available to carry out the work although the resulting Strategic Plan has taken this into consideration.
- 1.6 Following identification of the key controls and associated risks we assessed the different areas of risk using the following criteria:
  - Risk Impact
  - Risk Likelihood
  - Present Controls
- 1.7 Where an area of risk is covered by SSSC's own Strategic Risk Register we based the assessment of impact, likelihood and priority on the existing assessment. From the combination of results of these three criteria, the work required to test controls in place and their operation was assessed. The frequency of testing was also considered taking into account previous internal audit coverage and current developments in policies and procedures.

- 1.8 The Strategic Plan is included in Section 4, below, and covers the normal three-year internal audit cycle. Audit days have been allocated to the categories identified by the Audit Needs Assessment process set out in Section 3 to give a rolling programme of work. Where relevant, these have been further split into sub-categories.
- 1.9 There is usually an expectation by external auditors that some element of review is included in the internal audit programme in relation to core financial systems. This has been taken into consideration in formulating the Strategic Plan which will provide the framework for internal audit activity for the next three years.
- 1.10 The Strategic Plan does not specifically address Value for Money projects. However, VFM is an integral part of all audit and is always considered during any audit work that we are undertaking.



# Audit Needs Assessment

- 2.1 There are a variety of strategic, operational, financial and regulatory risks faced by any organisation. There are also risks that are specific to individual institutions, and which vary over time. All these risks need to be managed effectively since they cannot be eliminated entirely.
- 2.2 The purpose of an Audit Needs Assessment is to identify these risks and assess the audit coverage required to give Council assurance that the control environments operated are effective in reducing the risks to an acceptable level.
- 2.3 Information from interviewees and various documents that we have reviewed identified the following issues as being the main strategic, operational, financial and regulatory issues facing SSSC at this time:
  - Creating and delivering the workforce development products which meet stakeholder needs in terms of content and impact;
  - Maintaining a robust regulation framework, which improves standards and builds trust in service users across the various elements of the regulated workforce;
  - Delivery of the new Strategic Plan against a backdrop of disruption and potential financial pressures arising from the COVID-19 pandemic;
  - Putting in place a reward framework, including pay and grading, that will meet current and future organisational requirements;
  - Developing digital capability, including the need for digital leadership to deliver key ICT infrastructure projects;
  - Further developing cyber security and data protection arrangements to meet legislative and government expectations;
  - Maintaining positive stakeholder engagement;
  - Ensuring that the shared service arrangements are being delivered in line with the agreed specification;
  - Workforce planning and succession planning in order to meet current and future need;
  - Ensuring the social services workforce has parity of esteem with the health workforce;
  - Further refining performance management reporting to assist with monitoring success;
  - Maintaining financial sustainability and robust financial control; and
  - Evidencing effective consideration of equality, diversity and inclusion in decision-making processes.
- 2.4 It is important to note that one of the biggest challenges ahead for everyone involved in the delivery of social care is the need for a full scale review of social care and this will have a significant impact on the work of the SSSC.
- 2.5 The nature of some risks is such that they do not lend themselves to examination and testing by internal audit. These have therefore been excluded from the Strategic Plan.
- 2.6 Where it is appropriate for internal audit to conduct work in a specific identified risk area then these have been identified and prioritised in the Strategic Plan with reference to the resources allocated by the SSSC to internal audit.
- 2.7 Risks associated with these, and other issues, do not exist in isolation but are inter-dependent. We will therefore ensure that audit projects are linked where necessary, and results from relevant previous projects will be taken into consideration at the detailed planning stage of each project.

2.8 The audit universe for the Audit Needs Assessment has been determined using the latest iteration of the Strategic Risk Register and have been cross referred to the relevant risk (or risks) where appropriate. Other relevant key issues, where internal audit can provide assurance around the controls in place to mitigate risk, have also been included.

Audit area/ risk	SSSC risk ref link	Other assurance sources	Previous IA coverage	Indicative timing
<b>Reputation</b>				
Publicity and Communications	Risk 5	<ul style="list-style-type: none"> <li>Website in place with tailored content</li> <li>Publication library online</li> <li>Social media guidance produced</li> <li>Daily update to sector via website on COVID-19 response</li> </ul>	-	-
Health, Safety and Wellbeing (incl. COVID response)	Risk 9	<ul style="list-style-type: none"> <li>Daily monitoring of Scottish Government guidance.</li> <li>24 hour move to home working to protect staff interests</li> <li>Daily COVID planning meetings to identify and implement actions</li> <li>Daily consistent messaging to staff</li> <li>Changes to the register and fitness to practise to support increased capacity in the sector</li> <li>Changes to student places to support increased capacity to the sector</li> <li>Development of hub for recruitment into social care</li> <li>Daily update to sector via website</li> </ul>	-	-



Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Operations</b>				
Regulation - system fails to meet the needs of users	Risk 1	<ul style="list-style-type: none"> <li>Rules and frameworks in place to ensure legal compliance, fairness and consistency.</li> <li>Digital systems to manage processes and casework</li> <li>Resource modelling for calculating our staff base.</li> <li>Quality assurance and audit process in place for staff and panel decision making.</li> <li>Publicising hearing outcomes and decisions.</li> <li>Improved triage system implemented</li> <li>Additional investigator staff recruited.</li> <li>Use of external legal presenter services.</li> <li>Use of overtime to provide additional</li> </ul>	2019/20 – Fitness to Practice	2020/21 – Focus on resource model and broader use beyond registration
Workforce development function - fails to support the workforce and employers to achieve the right standards and qualifications to gain and maintain registration	Risk 2	<ul style="list-style-type: none"> <li>Quarterly SSSC workforce intelligence report</li> <li>Publish data on training provision across Scotland.</li> <li>Work with Skills Development Scotland, SDS and SG re capacity and resources required for qualification.</li> <li>Developed career pathways resources.</li> <li>Working with the College sector.</li> </ul>	Care Workforce Development – 2016/17	2021/22 - with specific focus on partnership working

Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Operations (continued)</b>				
Stakeholder engagement - fail to provide value to our stakeholders and demonstrate impact	Risk 5	<ul style="list-style-type: none"> <li>Discovery project for the personalisation of MySSSC underway.</li> <li>Reviewed Involving People with lived experience to a model of joint working with CI Involving People Group.</li> <li>New performance reporting structure agreed</li> <li>Scoping of a best value plan for 2020-2023.</li> </ul>	-	-
Complaints – failure to adequately deal with and learn from complaints.	Risk 5	<ul style="list-style-type: none"> <li>Complaints handling procedure</li> <li>Monitoring of complaints performance</li> </ul>	Complaints handling – 2016/17	-
<b>Staffing issues</b>				
Workforce Planning - fail to develop and support SSSC staff appropriately to ensure a motivated and skilled workforce to achieve strategic outcomes	Risk 6	<ul style="list-style-type: none"> <li>OD consultant commissioned</li> <li>Quick win action plan considered by EMT</li> <li>Head of OD and Employee Development Adviser will commence employment in August 2020</li> </ul>	Workforce planning - 2017/18	-
Organisational development (including succession planning) - Inadequate use of staff development process and inadequate succession planning	Risk 6		-	2022/23

Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Staffing issues (continued)</b>				
HR data and performance management – failure to effectively utilise HR data on sickness absence, turnover, reasons for absence and overtime levels.	Risk 6	<ul style="list-style-type: none"> <li>Sickness absence reporting process in place.</li> <li>KPIs defined and gathered.</li> </ul>	-	2021/22
Payroll – failure to process payroll accurately and timeously.	Risk 7	<ul style="list-style-type: none"> <li>Financial Strategy for current year plus 6.</li> <li>2020 review included alignment to the new strategic plan.</li> <li>Monthly budget reviewed at directorate and EMT level.</li> <li>Change programme for integrated reporting of performance, risk and budget monitoring progressing.</li> <li>Objective based budget planning commenced.</li> <li>Resource modelling and scenario planning.</li> </ul>	2019/20	2022/23
Travel and expenses – claims for travel and expenses are not legitimate business expenses.	Risk 7	<ul style="list-style-type: none"> <li>Monthly budget reviewed at directorate and EMT level.</li> <li>Authorisation process in place for travel and expenses.</li> </ul>	-	-

Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Estates and Facilities</b>				
Building Maintenance – failure to adequately maintain existing estate.	-	<ul style="list-style-type: none"> <li>Estates Strategy in place with Care Inspectorate</li> </ul>	-	-
Asset management – failure to record and protect assets	-	<ul style="list-style-type: none"> <li>Asset register in place.</li> <li>Fixed assets subject to external audit scrutiny annually.</li> </ul>	-	-
<b>Financial issues</b>				
Budgetary Control – failure to align resources to strategic priorities and to deliver financial sustainability	Risk 7	<ul style="list-style-type: none"> <li>Financial regulations in place.</li> <li>Monitoring of financial performance by management and Council.</li> <li>Prevention of bribery policy and procedures in place.</li> </ul>	Resource determination and allocation – 2019/20	2021/22
General Ledger – failure to maintain accurate and secure core financial systems and records	Risk 7		Financial Systems – 2017/18	-
Procurement and creditors/purchasing – failure to comply with procurement requirements and to process payments in accordance with the financial regulations	Risk 7		Procurement – 2016/17	2022/23
Debtors/Income – failure to accurately invoice, receipt and bank any income due.	Risk 7		Income and receivables – 2019/20	-
Cash & Bank/Treasury Management – failure to maintain effective control over bank accounts and cash flow.	Risk 7		-	-

Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Financial Issues (continued)</b>				
Fraud prevention, detection and response	Risk 7	See above	-	-
<b>Organisational Issues</b>				
Risk Management – inadequate risk management arrangements are in place and operating effectively	All	<ul style="list-style-type: none"> <li>• Risk Policy in place</li> <li>• Risk management training delivered.</li> <li>• Risk Register reviewed by management, Audit &amp; Assurance Committee and Council.</li> </ul>	-	2020/21
Business Continuity – failure to maintain up to date and effective business continuity plans	Risk 8	<ul style="list-style-type: none"> <li>• Business continuity plans updated</li> <li>• ICT created contingency plan for loss of IT function for new arrangements.</li> </ul>	Business Continuity Planning – 2016/17	-
Corporate Governance Arrangements – failure to maintain effective governance arrangements for NDPBs in order to fulfil external scrutiny and legal requirements	Risk 3	<ul style="list-style-type: none"> <li>• Review of corporate governance to rationalise and streamline structure.</li> <li>• Section 22 report recommendations action plan updated, and progress reported quarterly.</li> <li>• Shared services review ongoing.</li> <li>• Review of records management structure.</li> </ul>	-	2020/21

Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Operational Issues (continued)</b>				
Compliance with legislation - failure to comply with legislative requirements	Risk 3	<ul style="list-style-type: none"> <li>Review of corporate governance to rationalise and streamline structure.</li> <li>Section 22 report recommendations action plan updated, and progress reported quarterly.</li> <li>Shared services review ongoing.</li> <li>Review of records management structure.</li> </ul>	-	2021/22
Corporate Planning – failure to develop a cohesive corporate planning framework	Risk 3	<ul style="list-style-type: none"> <li>Strategic Plan 2020 to 2023 published in 2020</li> </ul>	Operation planning – 2019/20  Strategic Planning – 2019/20	-
Performance management and KPIs – failure to maintain effective performance management arrangements	Risk 5	<ul style="list-style-type: none"> <li>Performance management framework in place</li> </ul>	Performance Indicators – 2019/20	2021/22
Partnership working – failure to develop and maintain effective partnership arrangements in order to deliver strategic outcomes	Risk 2	<ul style="list-style-type: none"> <li>Work with Skills Development Scotland the Scottish Qualifications Authority and Scottish Government in relation to developing the capacity and resources required for the workforce to gain a qualification.</li> </ul>	-	-

Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Operational Issues (continued)</b>				
Equality and Diversity	Risk 3	<ul style="list-style-type: none"> <li>• Publication of the mainstreaming and Gender Pay Gap reporting in line with the requirements of the Equality Act 2010 (Specific Duties) (Scotland) and within statutory reporting for the Scottish Sector Workforce Report and also the Mental Health Officer (MHO) in Scotland Report.</li> <li>• Use of standard Equality Impact Assessments (EQIAs) are a mandatory requirement in relation to the completion (or updating) of all</li> </ul>	-	2020/21
Change Management	Risk 3	<ul style="list-style-type: none"> <li>• Programme Management Office (PMO) in place.</li> <li>• Business process re-engineering.</li> </ul>	-	2020/21 – BPR on business process reengineering

Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Information and IT</b>				
ICT data access and cyber security - Failure to meet Scottish Government expectations around cyber security.	Risks 1 and 4	<ul style="list-style-type: none"> <li>• Review of ICT Staff skills underway.</li> <li>• Business case approval for continued digital developments.</li> <li>• Permanent Head of Digital now in post.</li> <li>• Digital Strategy Delivery plan reviewed at Digital Sponsor Group.</li> <li>• Cyber essentials plus accreditation achieved.</li> <li>• Follow COBIT and NCSC guidance.</li> </ul>	ICT Healthcheck – 2019/20	2020/21 – ICT data access  2021/22 – Cyber security
Data Protection – failure to comply with data protection legislation	Risk 3	<ul style="list-style-type: none"> <li>• Data Protection Officer appointed</li> <li>• Data protection and privacy notice in place</li> <li>• Retention schedule maintained and published.</li> </ul>	-	2021/22
Digital Transformation – failure to effectively implement digital transformation projects in a way which meets all stakeholder needs.	Risk 4	<ul style="list-style-type: none"> <li>• External consultancy input re programme management.</li> <li>• Action plan re S22 report monitored.</li> </ul>	-	2021/22



Audit area/ risk	SSSC risk ref	Other assurance sources	Previous IA coverage	Indicative timing
<b>Information and IT (continued)</b>				
IT Strategy – failure to develop an IT strategy embraces new technological capability and which is aligned to the strategic Plan and other supporting plans/strategies.	Risk 4	<ul style="list-style-type: none"> <li>IT Strategy in place (which expires in 2020).</li> </ul>	ICT Healthcheck – 2019/20	2022/23



## Section 3 - Strategic Plan 2020 to 2023

### Audit Methodology

- 3.1 Prior to commencement of the work each year the Strategic Plan will be reviewed in advance of the production of the Annual Plan. The Annual Plan will give more detail of the risks to be covered and the work to be carried out in each area. The process will include discussion with management, the SSSC's external auditors and the Audit and Assurance Committee as appropriate.
- 3.2 Once the Annual Plan has been agreed, an audit timetable will be set, and detailed planning will be carried out for each area.

In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Where necessary, substantive testing in systems where control weaknesses have been identified to give assurances that the system has dealt appropriately with transactions.
- Consideration of VFM issues where appropriate.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives, work carried out, the implications of the findings for internal control, and an action plan with areas for improvement. The action plan will allocate responsibility for the implementation and give a timeframe for completion.
- Follow-up of action plans in future years.

	Category	Priority	Planned 20/21 Days	Planned 21/22 Days	Planned 22/23 Days
<b>Reputation</b>					
<i>Publicity and Communications</i>	Gov	M			
<i>Health, Safety and Wellbeing (COVID-19 response)</i>	Gov	H			
<b>Operations</b>					
<i>Regulation (BPR on resource model)</i>	Perf	H	5		
<i>Workforce development function</i>	Perf	M		5	
<i>Stakeholder engagement</i>	Perf	M			
<i>Complaints</i>	Perf	M			
<b>Staffing Issues</b>					
<i>Workforce Planning</i>	Perf	M			
<i>Organisational development (including succession planning)</i>	Perf	M			5
<i>HR data and performance management</i>	Perf	M		4	
<i>Payroll</i>	Fin	M			4
<i>Travel and expenses</i>	Fin	L			
<b>Estates and Facilities</b>					
<i>Building maintenance</i>	Fin/Perf	L			
<i>Asset management</i>	Perf	L			
<b>Financial Issues</b>					
<i>Budgetary control</i>	Fin	M		4	
<i>General ledger</i>	Fin	L			
<i>Procurement and creditors / purchasing</i>	Fin	M			5
<i>Debtors/ Income</i>	Fin	L			
<i>Cash &amp; Bank / Treasury management</i>	Fin	L			
<i>Fraud prevention, detection and response</i>	Fin/Gov	M			
<b>Organisational Issues</b>					
<i>Risk Management</i>	Perf	M	5		
<i>Business Continuity</i>	Perf	M			
<i>Corporate Governance</i>	Gov	M	5		
<i>Compliance with legislation</i>	Gov	M		5	
<i>Corporate Planning</i>	Perf	M			
<i>Performance reporting / KPIs</i>	Perf	M		5	
<i>Partnership Working</i>	Gov/Perf	M			
<i>Equality and Diversity</i>	Gov	M	5		
<i>Change Management (BPR on business process reengineering)</i>	Perf	M	5		

			Planned	Planned	Planned
	Category	Priority	20/21	21/22	22/23
			Days	Days	Days
<b>Information and IT</b>					
<i>ICT data access and cyber security</i>	Perf	M	3	4	
<i>Data protection</i>	Gov	M		5	
<i>Digital transformation</i>	Perf	M		5	
<i>IT strategy</i>	Perf	M			5
<b>Other Audit Activities</b>					
Management and Planning )			4	4	4
External audit )					
Attendance at Audit & Assurance Committee )					
Follow-up reviews		Various	2	2	2
Audit Needs Assessment			3		
<b>Total</b>			<b>37</b>	<b>43</b>	<b>25</b>
			=====	=====	=====

### Key

BPR = Business Process Review

Category: Gov – Governance; Perf – Performance; Fin – Financial

Priority: H – High; M – Medium; L – Low

#### **Aberdeen**

45 Queen's Road  
Aberdeen  
AB15 4ZN

**T:** 01224 322100

#### **Dundee**

The Vision Building  
20 Greenmarket  
Dundee  
DD1 4QB

**T:** 01382 200055

#### **Edinburgh**

Ground Floor  
11-15 Thistle Street  
Edinburgh  
EH2 1DF

**T:** 0131 226 0200

#### **Glasgow**

100 West George Street  
Glasgow  
G2 1PP

**T:** 0141 471 9870

MHA Henderson Loggie is a trading name of Henderson Loggie LLP, which is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of MHA, an independent member of Baker Tilly International Ltd, the members of which are separate and independent legal entities

© 2019 MHA Henderson Loggie

 **mha**  
HENDERSON LOGGIE

[hlca.co.uk](http://hlca.co.uk) | [info@hlca.co.uk](mailto:info@hlca.co.uk)

# Scottish Social Services Council

## Equality & Diversity

### Internal Audit Report No: 2021/01

**Draft issued:** 15 May 2020  
**2<sup>nd</sup> Draft issued:** 18 May 2020  
**3<sup>rd</sup> Draft issued:** 25 June 2020

**Final issued:** 20 July 2020

LEVEL OF ASSURANCE

**Requires Improvement**

# Contents

Page No.

<b>Section 1</b>	<b>Management Summary</b>	
	• Overall Level of Assurance	1
	• Risk Assessment	1
	• Background	1 - 2
	• Scope, Objectives and Overall Findings	3
	• Audit Approach	3
	• Summary of Main Findings	4
	• Acknowledgements	4
<b>Section 2</b>	<b>Main Findings and Action Plan</b>	<b>5 - 15</b>

## Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

## Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Assurance Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

## Management Summary

### Overall Level of Assurance

#### Requires Improvement

System has weaknesses that could prevent it achieving control objectives.

### Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Scottish Social Service Council (SSSC) Strategic Risk Register:

- The SSSC fail to meet corporate governance, external scrutiny and legal obligations (Current risk rating - Moderate)
- The SSSC fail to develop and support SSSC staff appropriately to ensure we have a motivated and skilled workforce to achieve our strategic outcomes (Current risk rating - High)

### Background

As part of the Internal Audit programme at SSSC for 2020/21 we carried out a review of the arrangements in place to deliver the duties relating to equality and diversity. This was identified by the Executive Management Team as an area where risk can arise and where Internal Audit can assist in providing assurances to the Council and the Chief Executive that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level. This position was endorsed by the April 2020 meeting of the Audit and Assurance Committee.

The public sector equality duty, which is set out in the Equality Act 2010 (Specific Duties) (Scotland), came into force in April 2011. This is often referred to as the 'General Duty' and requires Scottish public bodies to have 'due regard' to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. The duty to eliminate discrimination in the area of employment, also covers marriage and civil partnership.



# Background (Continued)

The Equality Act also gives Scottish Ministers the power to impose specific equality duties through regulations. These duties require Scottish public bodies to:

- report on mainstreaming the equality duty;
- publish equality outcomes and report progress;
- assess and review policies and practices;
- gather and use employee information;
- publish information on board diversity and succession planning;
- publish gender pay gap information;
- publish statements on equal pay;
- consider award criteria and conditions in relation to public procurement; and
- publish required information in a manner that is accessible.

# Scope, Objectives and Overall Findings

The scope of this audit was to carry out a review of the systems and procedures in place to integrate equality into the day-to-day working activities of the SSSC, which allow the organisation to meet the legislative and regulatory requirements of the Equalities Act and to examine future plans to enhance existing arrangements.

The table below notes the objective for this review and records the results:

Objective	Findings				
The specific objective of this audit was to obtain reasonable assurance that:		1	2	3	Action is already in progress
1. SSSC is taking reasonable steps to ensure compliance with its legal duties within the Equalities Act.	Satisfactory	0	0	1	✓
2. Plans, policies, procedures and structures are in place to meet its equality duties.	Requires improvement	0	0	1	✓
3. Monitoring and reporting of the SSSC mainstreaming activities is in place.	Good	0	0	0	
4. Governance arrangements are in place to ensure that SSSC is meeting its requirements within Section 149 of the Equality Act on an ongoing basis.	Requires improvement	0	1	1	
Overall Level of Assurance	Requires improvement	0	1	3	
		System has weaknesses that could prevent it achieving control objectives.			

## Audit Approach

We assessed whether these objectives have been met by meeting with the CEO and other key staff responsible for equalities mainstreaming and comparing the current approach to equalities mainstreaming against the good practice guidance issued by the Equality and Human Rights Commission (EHRC). The review was primarily of the systems and procedures in place although compliance testing was carried out where appropriate.

# Summary of Main Findings

## Strengths

- From our review of documentation, we consider that the SSSC does generally comply with equalities legislation and regulations;
- The SSSC publishes the mainstreaming and Gender Pay Gap reporting in line with the requirements of the Act and this is also detailed within its statutory reporting for the Scottish Sector Workforce Report and also the Mental Health Officer (MHO) in Scotland Report;
- The SSSC meets the requirements set out within Section 149 of the Equality Act;
- There is a process in place for assessing equality and diversity impacts within the SSSC, through the use of standard Equality Impact Assessments (EQIAs);
- The completion of EQIAs are now a mandatory requirement in relation to the completion (or updating) of all SSSC policies and procedures;
- The role of the Equalities Working Group (EWG) is being expanded to improve awareness and training around equalities issues across the organisation;
- During our review, we identified that the SSSC is actively progressing work to further improve and refine its equalities policy framework and associated processes; and
- Our review confirms that the SSSC has a desire to comply with its legal obligations and can also demonstrate that the organisation actively embraces the core concepts of equality and diversity in its working practices.

## Weaknesses

- The leadership of the EWG lacks senior management input;
- The SSSC does not currently have an up to date Equality and Diversity Policy in place;
- There is no formal SSSC specific guidance in place and there is no training available for staff on how to complete an EQIA;
- The SSSC does not have complete records on the protected characteristics for all of the current staffing complement;
- There is no regular survey of staff to ensure that all equalities related information which is held is accurate and up to date; and
- The SSSC does not gather complete information on equalities, including those with protected characteristics (as defined by the Equalities Act 2010), for those individuals registered to work in the social services sector in Scotland.

# Acknowledgements

We would like to take this opportunity to thank the staff at SSSC who helped us during our review.

## Main Findings and Action Plan

### Objective 1 - SSSC is taking reasonable steps to ensure compliance with its legal duties within the Equalities Act

As a public body, the SSSC is required to comply with the 2010 Equalities Act and specifically the requirements within section 149. Our audit confirms that in order to achieve compliance with these requirements the SSSC has implemented a number of policies and procedures with equalities implications which underpin the required equalities requirements in key areas such as HR, recruitment, and procurement as required within the Act. This includes the use of EQIAs to assess the equality and diversity impacts when business decisions are taken. The SSSC also take the opportunity to collect data on staff during its recruitment process in order to capture data for the organisation in relation to protected characteristics.

The audit also confirmed that that all business decisions taken by the Executive Management Team (EMT) and the SSSC Council are subject to an equality assessment as part of their decision-making process. SSSC's process to manage its policies and procedures has been recently updated and now requires the completion of an EQIA for all new and updated policies and procedures. Completed EQIAs are also made publicly available through the SSSC's website. The SSSC procurement policy and approach was reviewed as part of this review and we can confirm that it is fully compliant with the relevant aspects of equalities legislation.

The SSSC also have an accessibility statement to allow as many people as possible to view the webpage and will also make all documents available in braille if required. As well as policies in place to embed the equality requirements and their compliance within the SSSC the EWG was established in 2012 to:

- Support the mainstreaming of equalities within the SSSC;
- Provide evidence which contributes towards the SSSC equality outcomes;
- Promote and support good practice in equalities throughout the SSSC; and
- Assist the SSSC to meet its responsibilities in relation to legislation (primarily the development of mainstreaming and outcomes reports as required by the EHRC).

## Equality and Diversity

### Objective 1 - SSSC is taking reasonable steps to ensure compliance with its legal duties within the Equalities Act (Continued)

The EWG includes representatives from departments across the SSSC, as well as representation from the Care Inspectorate. Key activities of the EWG are the monitoring of ongoing delivery of the Equality Outcomes Action Plan 2017-21; raising awareness of the equality agenda; and encouraging consistent application of equality outcomes within SSSC. The EWG is currently updating its Terms of Reference to accurately reflect the equalities focus within the SSSC going forward.

Overall, there is an adequate effective operational framework in place within SSSC to consider equality and diversity issues, with the EWG playing a key role in continuing to champion and raise awareness around the equalities agenda. However, it is our view that these arrangements are weakened by the absence of an EMT representative on the EWG.

Observation	Risk	Recommendation	Management Response
The membership of the EWG does not currently contain any members of the SSSC EMT.	Without this level of visible senior management support and input it may diminish the impact of the Group to effectively deliver training, awareness or any improvements in the equality process and its application across SSSC in order to ensure full compliance with all aspects of the 2010 Equalities Act.	<b>R1</b> As part of the ongoing review of the EWG terms of reference, consideration should be given to the introduction of a member of the EMT to act as the executive lead for Equality and Diversity and to chair future meetings of the EWG.	<p>Yes agreed. This has been completed with the Director of D&amp;I now chairing the group.</p> <p><b>To be actioned by:</b> Chief Executive</p> <p><b>No later than:</b> 30 June 2020</p>
			<p><b>Grade</b></p> <p><b>3</b></p>

## Equality and Diversity

### **Objective 2 - Plans, policies, procedures and structures are in place to meet its equality duties.**

The SSSC current Equality and Diversity Policy formally sets out the aims and objectives for the organisation to meet its legal duties around equality and diversity; raise awareness of these issues; and describe a monitoring framework to ensure ongoing compliance across the SSSC, but the policy was last updated in 2009. We were advised that an Equality and Diversity Policy is currently being drafted which will encompass all equalities, not just HR issues, and that this updated and expanded policy will be submitted for Council approval in August 2020.

Our audit confirmed that although the current policy predates the implementation of the 2010 Equalities Act, there is a requirement to consider equalities issues when any activity or policy changes occur and to complete an EQIA to assess the impact. Completed EQIAs are submitted to the Performance and Improvement Department. This allows ongoing monitoring of the completion of EQIAs across all parts of the SSSC. In addition, the recently introduced SSSC policy process, for new and updated policies, introduced the mandatory completion of an EQIA. There is specific guidance in place for EQIA completion with advice, guidance, and support also available from the Performance Improvement Department.

While our review did confirm that in general terms the SSSC complies with its legal duties in relation to the Act, the absence of an up to date Equality and Diversity Policy does weaken the effectiveness of the current controls in place.

## Equality and Diversity

### Objective 2 - Plans, policies, procedures and structures are in place to meet its equality duties. (Continued)

As part of our audit review we tested the following completed EQIAs to ensure that they complied with both SSSC requirements and best practice as defined by the EHRC:

- Information Materials;
- Providing public information on SSSC conduct hearings;
- Registrants and employers use and understand the Codes of Practice
- Dignity at work Policy;
- Drugs and Alcohol policy;
- Pay award 2019-20
- SSSC Corporate Webpage; and
- Step into Leadership.

On reviewing these completed EQIAs a degree of inconsistency in completion of the EQIA documentation was evident. There is no tailored, SSSC specific guidance in place on how to complete an EQIA. The latest guidance, issued in 2018, refers staff to the generic Equalities and Human Rights Commission (EHRC) guidance. Our testing also identified that three different forms have been used to undertake EQIA completion since 2014. This lack of consistency in approach weakens the overall effectiveness of this process.

A key role for the EWG is to be the key source of expertise and support in the completion of the EQIAs across SSSC. It is the intention that the Group should provide support in the completion of EQIAs at their draft stage, increasing the awareness of staff and managers in completing an EQIA and ensuring a degree of consistency in their completion.

The most recently introduced EQIA form contains a more detailed assessment of the equality impacts and we can confirm that this is aligned with the best practice as defined by the EHRC. Our review of the most recently completed EQIAs does show a much more detailed analysis and evaluation of the equality impacts. However, it is apparent that not all EQIAs currently in place have been completed to this standard. Support is available for those completing the EQIAs from the EWG as part of their enhanced role. However, there is no formal training in place at present for the completion of an EQIA within the SSSC.

Performance and Improvement Department log all completed EQIAs and this tracking, together with the mandatory requirement for all new procedures and policies to have an associated EQIA completed, will ensure that current policies and procedures being updated will complete EQI's in line with best practice as defined by the EHRC. However, the absence of SSSC specific guidance and formal training in this area does weaken the effectiveness of the overall controls in place.

## Equality and Diversity

### Objective 2 - Plans, policies, procedures and structures are in place to meet its equality duties.

The most recently introduced issued EQIA form contains a more detailed assessment of the equality impacts and we can confirm that this is aligned with the best practice as defined by the EHRC. Our review of the most recently completed EQIAs demonstrates a much more detailed analysis and evaluation of the equality impacts than previous EQIA documents examined. However, it is apparent that not all EQIAs, which are currently in place, have been completed to this standard. Support is available for those completing the EQIAs from the EWG as part of their enhanced role. However, there is no formal training in place at present for the completion of an EQIA within the SSSC.

Observation	Risk	Recommendation	Management Response	
There is no formal SSSC specific guidance in place and there is no training available for staff on how to complete an EQIA; how to identify and fully assess the equalities and diversity impact; and how to devise suitable responses to ensure the requirements of the Equalities Act 2010 are fully met.	There is a risk that lack of knowledge around how to complete the EQIA documentation correctly may impact on the ability to consistently comply with all aspects of the Equalities Act 2010.	<b>R2</b> The SSSC should develop and implement specific, step by step guidance, and associated training, for all staff on how to complete an EQIA.	In addition to generic equalities training already complete the Equalities working group will roll out new guidance for those who complete EIA.	
			<b>To be actioned by:</b> Director of Strategy & Performance <b>No later than:</b> 31 August 2020	
			Grade	3



## Equality and Diversity

### Objective 3 - Monitoring and reporting of the SSSC mainstreaming activities is in place

From discussion with those interviewed, and review of relevant documentation, we assessed how the SSSC meets its reporting requirements as described within the Equality Act 2010. A summary of our findings is outlined below:

#### 1. Requirement - Duty to report progress on mainstreaming the equality duty

In place - The SSSC most recent Equality Mainstreaming report was issued in April 2019. An audit evaluation of this report concluded that not only has the SSSC complied with the timescales for publication, but the report also contains all the details required by this duty. The audit concluded that the SSSC does comply with the requirements of this duty.

#### 2. Requirement - Duty to publish equality outcomes and report progress

In place - The SSSCs Equality Mainstreaming Report issued in April 2019 sets out the Equality Outcomes agreed in the previous report, together with details on the progress made in meeting these objectives. The SSSC Mainstreaming Report, issued in April 2019, was evaluated and found to comply with the requirements of this duty.

#### 3. Requirement - Duty to assess and review policies and practices

In place - The SSSC has recently introduced a new approach for managing and reviewing policies and procedures. All policies and procedures are now required to compete an EQIA to assess the impact on equalities issues. All policies are now held by the compliance team enabling them to be reviewed and updated in line with the agreed review timescales. With this new approach in place the audit concluded that the SSSC does comply with the requirements of this duty.

#### 4. Requirement - Duty to publish gender pay gap information

In place - The SSSC has included its Gender Pay Analysis Report and Action Plan within its 2019 Mainstreaming Report issued in April 2019, based on staff data as of 31 January 2019. Section 6.6 within the reports states:

*“Our gender pay gap as of 31 January 2019 using median figures is 23.9%. This means that women working at the SSSC earn, on average, 76.1% of the average wage of men working. This has shown a positive move from 2015 when our median pay gap was 29.5% and is currently higher than both the Scottish average (15% in 2018) and the UK average (17.9% in 2018).”*

Therefore, the audit concluded that the SSSC does comply with the requirements of this duty.

## Equality and Diversity

### Objective 3 - Monitoring and reporting of the SSSC mainstreaming activities is in place (Continued)

#### 5. Requirement - Duty to publish statements on equal pay, etc.

In place - Our evaluation confirmed that the SSSC's Equalities Mainstreaming Report, published in April 2019, contains all the information required by this duty. This report was based on staff data as at 31 January 2019. Therefore, we can conclude that the SSSC does comply with the requirements of this duty.

#### 6. Requirement - Duty to consider award criteria and conditions in relation to public procurement

In place - The SSSC's Procurement Strategy section 4 states that:

*"In line with the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, we consider equality throughout our tender processes and comply with legislation. Suppliers must not unlawfully discriminate against any person within the meaning of the Equality Act 2010 in its activities relating to contracting with the Care Inspectorate and SSSC. This is included in our standard terms and conditions. Also included in our tender documentation and our standard terms and conditions is a requirement that suppliers comply with the Employment Relations Act 1999 (Blacklists) Regulations 2010 which address blacklisting activities."*

Our audit concludes that the SSSC does comply with the requirements of this duty.

#### 7. Requirement - Duty to consider other matters

In place - The SSSC has a statutory requirement to publish the following reports:

- Scottish Sector Workforce Report; and
- MHO Report.

A review of these reports, which were last published in 2018, also confirmed that the equalities aspect in relation to the protected characteristics are captured in these reports. The audit concluded that the SSSC is currently complying with this requirement.

## Equality and Diversity

**Objective 4 - Governance arrangements are in place to ensure that SSSC is meeting its requirements within Section 149 of the Equality Act on an ongoing basis. (Continued)**

### **1. Requirement - Duty to gather and use employee information**

In place - The SSSC gathers this information during its recruitment process through the completion of Equal Opportunities forms and uses the information not only to develop its equalities policy and processes but also for inclusion within the workforce data included in sections 6.1 - 6.5 of the 2019 Mainstreaming Report.

An evaluation of the Equalities Mainstreaming Report confirms that they contain all the required information. The collection of this data is recognised by management as a critical component in understanding how the SSSC plans to improve and ensure equalities mainstreaming. However, some concerns were expressed around the completeness of this information, and this is acknowledged within the published reports. At present, there are weaknesses in the data gathering of the protected characteristics at the recruitment stage, where completion of the equalities monitoring form is not mandatory. While improvements are being made to the recruitment process to ensure the collection of this information going forward it is apparent that for at least the last 18 months this information has not been consistently collected. Therefore, the SSSC does not currently hold complete equality and diversity information for all of its staff. The audit review has confirmed that the SSSC does comply with the reporting requirements within the Equalities Act 2010. However, the known data quality issues in collecting the necessary data does significantly weaken the effectiveness of the control in this area.

## Equality and Diversity

**Objective 4 - Governance arrangements are in place to ensure that SSSC is meeting its requirements within Section 149 of the Equality Act on an ongoing basis. (Continued)**

Observation	Risk	Recommendation	Management Response	
The SSSC does not have complete records on the protected characteristics for all of the current staffing complement due to historic weaknesses in consistently gathering this data as part of the recruitment process.	The SSSC is not in a position to demonstrate full compliance with section 149 of the Equalities Act 2010.	<b>R3</b> The SSSC should ensure that all applicants complete the equality monitoring form before any application for employment can be considered.	Completion of the equalities monitoring section will be part of a new online application form, which will require applicants to go through before they submit however legally we cannot ask applicants to answer questions and they can choose ‘prefer not to say’	
			<b>To be actioned by:</b> Head of HR	
			<b>No later than:</b> 31 December 2020	
			<b>Grade</b>	<b>2</b>

## Equality and Diversity

**Objective 4 - Governance arrangements are in place to ensure that SSSC is meeting its requirements within Section 149 of the Equality Act on an ongoing basis. (Continued)**

Observation	Risk	Recommendation	Management Response	
With the introduction of the self service capability through the Myview HR system, the SSSC has the opportunity to engage with staff to review and update their personal records within the new HR system. By ensuring that this information is regularly updated the SSSC should be able to address some of the current gaps around protected characteristic within the information it gathers and holds on staff.	The SSSC does not have complete records on the protected characteristics for all of its staff and is therefore not in a position to demonstrate full compliance with section 149 of the Equalities Act 2010.	<b>R4</b> The SSSC should utilise the recent introduction of Myview as the catalyst to request that all staff update their personal details, including relevant Equalities information.	HR will request completion of details by staff through various communication channels for existing staff and ensure that the induction process request completion for new starts if not already collected. We cannot mandate completion of questions, as staff can choose 'prefer not to say'. HR will provide information to allow Heads of Service to monitor completion rates and the Equalities Working Group will review completed information annually.	
		The SSSC should monitor the updating of this information and identify the staff who have not complied with this request and issue them with frequent reminders in order to fully complete this task.	<b>To be actioned by:</b> Head of HR	
		The higher the completion rate, the more complete the information held by SSSC around protected characteristics will be. Therefore, EMT should receive regular updates on the status of staff completion of personal details on Myview.	<b>No later than:</b> 31 August 2020	
			Grade	3

## Equality and Diversity

### **Objective 4 - Governance arrangements are in place to ensure that SSSC is meeting its requirements within Section 149 of the Equality Act on an ongoing basis. (Continued)**

The findings and recommendations highlighted above relate to staff directly employed by the SSSC. However, the SSSC, as required by the Regulation of Care (Scotland) Act 2001, also maintains 21 separate registers to regulate social service workers and to promote their education and training. These registers include social care workers, social workers, social work students and early years workers in a range of care services, in residential and day centres, community facilities and in individuals own homes. In addition, a key role for the SSSC is to invest in, and develop, the social service workforce in Scotland.

While the application process and its guidance for those applying for SSSC registration does ask applicants for health-related information, however there is no specific equalities questions asked. The SSSC also issues statutory reports on the social care workforce in the following areas:

- Scottish Sector Workforce Report; and
- MHO Report.

A review the last published reports in 2018, does confirm that there is an equalities analysis section within these reports. This section is based on the returns from external stakeholder bodies.

#### **Aberdeen**

45 Queen's Road  
Aberdeen  
AB15 4ZN

**T:** 01224 322100

#### **Dundee**

The Vision Building  
20 Greenmarket  
Dundee  
DD1 4QB

**T:** 01382 200055

#### **Edinburgh**

Ground Floor  
11-15 Thistle Street  
Edinburgh  
EH2 1DF

**T:** 0131 226 0200

#### **Glasgow**

100 West George Street  
Glasgow  
G2 1PP

**T:** 0141 471 9870

MHA Henderson Loggie is a trading name of Henderson Loggie LLP, which is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of MHA, an independent member of Baker Tilly International Ltd, the members of which are separate and independent legal entities

© 2019 MHA Henderson Loggie

 **mha**  
HENDERSON LOGGIE

[hlca.co.uk](http://hlca.co.uk) | [info@hlca.co.uk](mailto:info@hlca.co.uk)

# SSSC

## Risk Management

### Internal Audit Report No: 2021/02

**Draft issued:** 9 July 2020  
**2nd Draft issued:** 10 July 2020  
**3rd Draft issued:** 10 July 2020

**Final issued:** 17 July 2020

#### LEVEL OF ASSURANCE

Good



# Contents

## Page No.

### Section 1 Management Summary

• Overall Level of Assurance	1
• Risk Assessment	1
• Background	1 - 2
• Scope, Objectives and Overall Findings	3
• Audit Approach	3
• Summary of Main Findings	4
• Acknowledgements	4

### Section 2 Main Findings and Action Plan 5 - 12

#### Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

#### Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Assurance Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

# Management Summary

## Overall Level of Assurance

Good	System meets control objectives
------	---------------------------------

## Risk Assessment

This review focused on overarching risk management arrangements within the SSSC and therefore the review encompasses all identified risks facing the organisation rather than any specific risk or risks.

## Background

As part of the Internal Audit programme at the SSSC for 2020/21 we carried out a review of the risk management arrangements across the organisation. This was identified by the Executive Management Team as an area where risk can arise and where Internal Audit can assist in providing assurances to the Council and the Chief Executive that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level. This position was endorsed by the April 2020 meeting of the Audit and Assurance Committee.

As a Non-Departmental Public Body, the SSSC is subject to the requirements of the Scottish Public Finance Manual (the SPFM). The SPFM contains specific guidance on risk management arrangements and specifies the following as highlights key point that should be considered when developing your organisation's risk approach:

- **Tied to Objectives:** Risk Management needs to be tied to your purpose and your objectives essentially what you are trying to achieve. If you aren't clear what your aims are then you can identify your risks effectively.
- **Systematically approached:** There is no single right way to identify and record an organisation's risk profile but taking a systematic approach to identifying risks and maintaining a clear record is critical to effective risk management.
- **Clearly described:** Risks should be prioritised in relation to objectives. A risk description should be a combination of both the possible cause and the possible impact to your objective.
- **Responsibly owned:** All risks, once identified, should be assigned to an owner who has responsibility for ensuring that the risk is managed and monitored appropriately.

### Background (Continued)

- **Supported by a defined framework:** It is important to develop a framework for assessing risks which evaluates both the likelihood of the risk being realised, and of the impact if the risk is realised. Risk assessment should be recorded in a way that clearly demonstrates the key stages of the process.
- **Identified risk appetites:** Determining your "risk appetite" is key to achieving effective risk management and is essential to support decision making and supports how risks can ultimately be addressed.
- **Regularly Monitored:** The management of risk should be reviewed regularly to monitor whether or not the risk profile is changing, to gain assurance that risk management is effective, and to identify when further action is necessary.
- **Effectively communicated:** Raising awareness about potential problems and sharing important information can ensure better problem solving, provide effective challenge and support and support effective escalation.

## Risk Management

### Scope, Objectives and Overall Findings

The scope of this audit was to consider whether there were corporate policies and procedures in place to adequately assess risk and minimise the possibility of unexpected and unplanned situations developing.

The table below notes the objectives for this review and records the results:

Objective	Findings				Actions already underway
		1	2	3	
<b>The specific objectives of this audit were to obtain reasonable assurance that:</b>					
1. There is a process in place to provide reasonable assurance to Council and to the Chief Executive in relation to the declaration on risk required for the financial statements	Good	0	0	0	
2. The process in place applies good practice in risk management	Satisfactory	0	0	3	✓
3. Key risks have been identified and are being appropriately controlled, mitigated, reported and discussed at appropriate levels of management and Council	Good	0	0	1	
Overall Level of Assurance	Good	0	0	4	
		System meets control objectives			

### Audit Approach

We obtained and reviewed a copy of the SSSC risk management policies, procedures and Strategic Risk Register and discussed the risk management arrangements in place with the Director of Strategy and Improvement, as executive lead for risk management. We also held meetings with each of the other directors and their respective operational management teams (OMTs) in order to capture the experience of individual directorates in applying the risk management arrangements at directorate level. We also held a meeting with the managers responsible for overseeing the risk management process centrally within the Strategy and Performance directorate. The SSSC risk management arrangements were then benchmarked against relevant good practice guidance.

### Summary of Main Findings

#### Strengths

- A comprehensive Risk Policy is in place which clearly articulates the SSSC approach to risk management and the responsibilities of the executive senior management team; the Audit and Assurance Committee and Council in identifying, assessing and monitoring the mitigation of risks.
- Updates on directorate risks are prepared as an integral part of the monthly Assurance Report submitted by each of the directorates to the Strategy and Performance directorate.
- The risk management element of the Assurance Reports submitted is sense checked by the central team before it is considered at the monthly Assurance Meetings.
- Risk management is a standing agenda item for each meeting of the Executive Management Team (EMT) and Operational Management Team (OMT) meetings within each directorate.
- The strategic risk register is maintained centrally within the Strategy and Performance directorate with an archive version maintained and a new version created each month which shows any changes made to the preceding version in tracked changes.
- The regular EMT discussions around risk allow ample opportunity for senior management discussion on the risks; the scoring of the risks; and the mitigating actions and controls in advance of each meeting of the Audit and Assurance Committee.
- From our attendance at the Audit and Assurance Committee meeting it was clear that there is a full discussion around risk management and a comprehensive presentation is provided with absolute transparency on key risks.

#### Opportunities for Improvement

- The current process for collating the monthly updates on the risk register is currently a time consuming and largely manual process.
- Our review of individual directorate risk registers highlighted some variation in the way in which risks are being described and in the way that associated risk actions and controls are being documented.
- We noted that although progress in delivering mitigating actions - on both the strategic and directorate risk registers - is closely monitored, there are currently no individual responsibilities and target implementation dates set for those actions which are not drawn from existing plans.
- Although risk appetite levels have been set for the risk categories these are not currently linked to the risk scoring matrix in a way which would allow identification of instances where residual risk is above the risk appetite level set by Council.

### Acknowledgements

We would like to take this opportunity to thank the staff at SSSC who helped us during our audit.

# Main Findings and Action Plan

### **Objective 1: There is a process in place to provide reasonable assurance to Council and to the Chief Executive in relation to the declaration on risk required for the financial statements**

A comprehensive Risk Policy was approved by Council in March 2020 together with a risk appetite statement for the SSSC. We noted that a review date of December 2020 has been formally documented within the policy document. Good practice suggests that the adequacy of the risk management framework should be reviewed annually as part of the process to consider whether the Audit and Assurance Committee has delivered on the risk management element of the terms of reference. This is delivered through an annual member development event, hosted by the Audit and Assurance Committee, to review the Strategic Risk Register to which all Council Members and EMT are invited. The Risk Policy clearly states that *“This includes examination of the SSSC’s track record on risk management and internal control”*.

The Risk Policy sets out the standard risk management approach to be applied in relation to risk identification and review, as well as the subsequent monitoring of risks and mitigating management actions.

The Risk Policy clearly articulates the SSSC approach to risk management and the responsibilities of the EMT, the relevant directorate OMT, the Audit and Assurance Committee and Council in identifying, assessing and monitoring the mitigation of risks.

Updates on directorate risks are prepared as an integral part of the monthly Assurance Report submitted by each of the directorates to the Strategy and Performance directorate. The risk management element of the Assurance Reports submitted is sense checked by the central team before it is considered at the monthly Assurance Meetings. It is clear for our discussions with each of the directorates that this monthly reporting cycle has been embedded in a relatively short period of time and has been well received by the managers involved. Our meeting with the central team confirmed that directorates are producing the information requested and that this information is being produced in a timely fashion and in the required format. Risk management is a standing agenda item on the Executive Management Team (EMT) agenda as part of the Finance, Performance and Risk Report to EMT on a monthly basis. This allows discussion on any emerging directorate risks, highlighted within the monthly Assurance Reports, which may require to be escalated to the Strategic Risk Register or where further work may be required at corporate level to manage individual risks. The strategic risk register is maintained centrally within the Strategy and Performance directorate with an archive version maintained and a new version created each month which shows any changes made to the preceding version in tracked changes. The regular EMT discussions around risk allow ample opportunity for senior management discussion on the risks; the scoring of the risks; and the mitigating actions and controls in advance of each meeting of the Audit and Assurance Committee.

## Risk Management

**Objective 1: There is a process in place to provide reasonable assurance to Council and to the Chief Executive in relation to the declaration on risk required for the financial statements (continued)**

Observation	Risks	Recommendation	Management Response	
<p>Although there is clear engagement from all stakeholders the current process for collating the monthly updates on the directorate risk registers is a time consuming and largely manual process of reviewing each risk to ensure that updates have been provided; assessing these changes and then reflecting them on the face of the monthly update as part of the Assurance Report.</p> <p>There are software solutions available which would reduce the current administrative burden of collating the monthly updates and would allow the delivery of mitigating actions to be tracked more efficiently.</p>	<p>At peak work periods, the administrative burden of collating monthly updates may shift the focus away from the evaluation of proposed changes and supporting narrative to the physical collation of the update itself.</p>	<p><b>R1</b> The possibility of procuring a risk management software solution should be explored with a business case developed which would evaluate the upfront and ongoing costs of the operating the software against the benefits which would accrue.</p>	<p>Agreed and we are currently looking to procure a risk and planning software package to be in place next year.</p> <p><b>To be actioned by:</b> Director of Strategy &amp; Performance</p> <p><b>No later than:</b> 30 June 2021</p>	
			Grade	3

## Risk Management

### Objective 2: The process in place applies good practice in risk management

We compared the risk management framework adopted by SSSC and compared this against the risk management guidance contained within the SPFM. Our evaluation of the evidence presented is summarised below against each of the headings included in the SPFM:

**Tied to Objectives** - the standard approach adopted ensures that the specific link between each risk and the SSSC Strategic Plan must be documented. However, we did not that several of the directorate risk registers reviewed did not have the outcome column populated. We also noted that work has already commenced to link mitigation and controls to established performance metrics so that performance outwith agreed parameters can be identified as a “risk trigger”.

**Systematically approached** - the Risk Policy states that directorates will identify risks and document these using pro-forma documentation and the Risk Policy references the fact that a systematic process is in place to help identify risk and give assurance that there is a complete risk profile. The approach applied is identical for identifying and scoring both strategic and directorate risks, thereby ensuring consistency in approach. The approach to be adopted was explained to all directorates through several tailored sessions delivered in early 2020 by the Director of Strategy and Improvement. We noted that some directorates are operating a third tier of risk register with team risk registers developed which sit below the directorate level risk register. While this is not in place across all directorates, we are comfortable that this simply reflects the nature of the work of each directorate and the way in which the associated risks require to be managed.

**Clearly described** – Although the Risk Policy does set out the way in which directorates are expected to identify and document risks it is clear from our review of individual directorate risk registers that there is variation in the way in which risks are being described and in the way that associated risk actions and controls are being documented. Therefore, we would see merit in developing a procedure note which provides examples of the way in which risks should be articulated and demonstrates the way in which associated risk actions and controls should be documented in order to achieve further consistency in approach. This suggested enhancement to the existing arrangements is addressed in the action point noted below.

**Responsibly owned** - All risks on the strategic risk register are assigned to a single risk owner. This is always a member of EMT, although the responsibility for physically maintaining the associated controls or delivering the agreed management actions may rest with another manager depending on the nature of the risk. This risk owner is responsible for providing updates on each of the strategic risks as part of the monthly directorate reporting cycle described above.

**Supported by a defined framework** - There is a clear methodology for identifying and assessing both gross and residual risk scores. This includes risk descriptors which explains the meaning of each of the scores on the risk scoring matrix. Although mitigating actions, and comments on the progress made since the last review, are captured on the face of the strategic and directorate risk registers there are currently no target implementation dates set for mitigating actions. This is covered in more detail in a separate action point below.

**Identified risk appetites** - We noted that the current strategic risk register does not identify risks where the residual risk level exceeds the risk appetite set by Council. This is an area where further development is required to build on the existing arrangements. Again, this is covered in more detail below.

**Regularly Monitored** - As highlighted under Objective 1 above, there is regular reporting on risk management to EMT, the Audit and Assurance Committee and Council. The consideration of risk management is also built into the terms of reference for the Audit and Assurance Committee and therefore forms part of the Committee’s annual self-evaluation of performance.



## Risk Management

### Objective 2: The process in place applies good practice in risk management (Continued)

**Effectively communicated** - The Risk Policy clearly signposts a role for all staff across the organisation in managing risk and this is enhanced by the availability of Risk Policy and the most up to date versions of the strategic risk register and directorate level risk registers. There is therefore limited opportunity, beyond SMT, to raise awareness about potential problems and share important information to ensure better problem solving, provide effective challenge and support and support effective escalation. This is therefore another area where further work is required to further develop existing arrangements. This is covered in more detail below.

## Risk Management

### Objective 2: The process in place applies good practice in risk management (Continued)

Observation	Risks	Recommendation	Management Response
Our review of individual directorate risk registers highlighted some variation in the way in which risks are being described and in the way that associated risk actions and controls are being documented, with some directorates adopting a succinct bullet point style and others adopting a more descriptive, narrative approach.	Without clarity on the way in which risks are presented, and the way in which mitigating actions and controls are described, there may be inconsistency in the way that risks are managed.	<b>R2</b> Consideration should be given to development of a procedure note which provides examples of the way in which risks should be articulated on the face of the relevant risk register (whether strategic, directorate or team) and demonstrates the way in which associated risk actions and controls should be documented in order to achieve further consistency in approach.	<p>Agreed that there needs to be consistency and guidance will be produced.</p> <p><b>To be actioned by:</b> Director of Strategy &amp; Performance</p> <p><b>No later than:</b> 31 October 2020</p>
			<p><b>Grade</b></p> <p><b>3</b></p>

## Risk Management

### Objective 2: The process in place applies good practice in risk management (Continued)

Observation	Risks	Recommendation	Management Response	
We noted that although progress in delivering mitigating actions - on both the strategic and directorate risk registers - is closely monitored, there are currently no individual responsibilities and target implementation dates set. In order to further develop the existing arrangements, we would suggest that once there is agreement on a uniform style of presentation for mitigating actions (see R2 above) then target completion dates should be set and overruns against these targets should be flagged in the monthly update report produced by each directorate – but only for those actions which do not appear in other plans and are therefore simply signposted from the risk register. By aligning mitigating actions created especially for the risk register with individual managers this will allow specific resource issues to be identified and discussed and should allow instances where there is a particularly heavy workload placed on specific individuals to be identified.	Without aligning specific responsibility and target completion dates for mitigating actions the pace of implementation may not be adequate to effectively manage the identified risk and resourcing issues may not be visible.	<b>R3</b> Consideration should be given to the alignment of individual mitigating actions to a named person (who may or may not be the overall risk owner) and target completion dates should be set for all mitigating actions associated with the risk register. However, this should only be the case for those actions created solely for the risk register, rather than a mitigating action which is simply signposted to an existing action on another plan and is therefore already subject to separate monitoring. Any variances against these target implementation dates should be highlighted and discussed to identify any barriers to successful implementation.	Agree that this can be implemented once agreed style of presentation i.e. bullet point actions are in place named individuals and timescales can be added where applicable.  <b>To be actioned by:</b> All EMT members  <b>No later than:</b> 31 October 2020	
			Grade	3

## Risk Management

### **Objective 3: Key risks have been identified and are being appropriately controlled, mitigated, reported and discussed at appropriate levels of management and Council.**

The ongoing alignment of current risks to strategic objectives will only be effectively maintained through effective scrutiny by the Audit and Assurance Committee and Council throughout the year. In addition, the annual development session provides protected time to consider the key risks facing the SSC and the way in which these are being managed in order to deliver strategic objectives.

The monthly update process is controlled centrally by the Strategy and Performance directorate under the executive oversight of the Director of Strategy and Improvement. The inclusion of risk management as a standing agenda item for EMT and OMT meetings demonstrates a clear commitment to the identification, assessment and management of risks.

From our attendance at the Audit and Assurance Committee meeting it was clear that there is a full discussion around risk management and a comprehensive presentation is provided with absolute transparency on key risks. It is also apparent that there is a great deal of experience in identifying and managing risks amongst the members of the Committee and this provides additional assurance that the risk management information presented will be subject to rigorous support and challenge.

The update report provided to the Audit and Assurance Committee signposts any movements in the risks so that there is full transparency and additional narrative is included to provide context. The updates also provide a stratified view of key risks across strategic risk categories.

It is clear from our discussions, and review of relevant documentation, that significant progress has been made in developing the process for identifying and managing risk since we delivered training to OMT managers in October 2019. The challenge now is to maintain the momentum created and to continue to develop the risk maturity of the risk management arrangements and to continue to embed this in the day to day work of managers and Council members.

## Risk Management

**Objective 3: Key risks have been identified and are being appropriately controlled, mitigated, reported and discussed at appropriate levels of management and Council. (Continued)**

Observation	Risks	Recommendation	Management Response	
Although the current configuration of the risk register includes a risk score (and an associated RAG status) for the residual risk level post-mitigation, the format does not currently identify instances where the residual risk level is above the risk appetite set by Council or the length of time which individual residual risk levels have been above the target risk level.	Without an indication of those risks where the residual risk level is above the agreed risk appetite, and the amount of time which these residual risks have been operating at above the agreed target risk level, the barriers to managing these risks down may not be challenged or rectified.	<b>R4</b> Consideration should be given to amending the format of the risk register to indicate the number of quarters where the residual risk has exceeded the agreed risk appetite level so that attention can be focused on these risks. We would suggest that this would also inform the discussion around risk at the annual development event mentioned above.	Agreed we can weight the appetite statements against the scoring matrix and add an additional column to the register that shows how many months residual score has remained the same or exceeded the appetite scoring.  <b>To be actioned by:</b> Director of Strategy and Performance  <b>No later than:</b> 31 October 2020	
			Grade	3

#### **Aberdeen**

45 Queen's Road  
Aberdeen  
AB15 4ZN

**T:** 01224 322100

#### **Dundee**

The Vision Building  
20 Greenmarket  
Dundee  
DD1 4QB

**T:** 01382 200055

#### **Edinburgh**

Ground Floor  
11-15 Thistle Street  
Edinburgh  
EH2 1DF

**T:** 0131 226 0200

#### **Glasgow**

100 West George Street  
Glasgow  
G2 1PP

**T:** 0141 471 9870

MHA Henderson Loggie is a trading name of Henderson Loggie LLP, which is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of MHA, an independent member of Baker Tilly International Ltd, the members of which are separate and independent legal entities

© 2019 MHA Henderson Loggie

 **mha**  
HENDERSON LOGGIE

[hlca.co.uk](http://hlca.co.uk) | [info@hlca.co.uk](mailto:info@hlca.co.uk)

<b>Title of report</b>	Audit and Assurance Committee Annual Report to the Council 2019/20 – Covering Report
<b>Public/confidential</b>	Public
<b>Action</b>	For review and comment
<b>Summary/purpose of report</b>	<p>The first draft of the Audit and Assurance Committee's Annual Report to the Council is attached at Appendix 1. There are other opportunities to consider and revise this report prior to it being submitted for consideration at the Council meeting of 29 October 2020.</p> <p>This covering report highlights areas that the Committee may wish to consider. It also details the timetable for the agreement of the report prior to its submission to the Council, along with the 2019/20 Annual Report and Accounts on 29 October 2020.</p>
<b>Recommendations</b>	<p>The Audit and Assurance Committee is asked to:</p> <ol style="list-style-type: none"> <li>1. review and comment on the draft Audit and Assurance Committee Report to the Council (Appendix 1)</li> <li>2. note the timetable for submitting this report to the Council (Section 3)</li> <li>3. note there have been no incidences of fraud detected during the 2019/20 financial year.</li> </ol>
<b>Author</b>	<p>Nicky Anderson</p> <p>Head of Finance</p>
<b>Responsible Officer</b>	<p>Lynn Murray</p> <p>Interim Director of Finance and Resources</p> <p>Tel: 01382 721947</p>
<b>Link to Strategic Plan</b>	The information in this report is about our internal governance arrangements and therefore links to all our strategic objectives.
<b>Link to the Risk Register</b>	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.

<b>Equality Impact Assessment (EIA)</b>	An EIA was not developed as the information in the report relates to matters of internal governance and does not impact on people with protected characteristics.
<b>Documents attached</b>	Appendix 1 – Draft Audit and Assurance Committee Report to Council Appendix 2 – Draft Governance Statement
<b>Background papers</b>	n/a



## **1.0 INTRODUCTION**

- 1.1 The Scottish Government Audit Committee Handbook recommends that the Audit and Assurance Committee should prepare an annual report for the Council.
- 1.2 There needs to be effective communication between the Audit and Assurance Committee and the Council. The SSSC already recognises this through consideration of Audit and Assurance Committee Minutes at Council meetings.
- 1.3 The Annual Report enhances this communication by providing the Audit and Assurance Committee's conclusions from the work it has done during the year, an overall assessment of the SSSC's governance and risk management framework and identifying priorities for the year ahead.

## **2.0 SPECIFIC ISSUES**

This section draws Members' attention to specific areas of the draft Audit and Assurance Committee Annual Report to the Council. This is a draft report and some section (*in italics*) have yet to be finalised.

### **2.1 Section 3.5 - Other Work**

The Committee should be satisfied that the section has appropriately captured and described the work of the Committee during 2019/20.

### **2.2 Section 3.6 – Priorities for the Coming Year**

The Committee should be satisfied that this does reflect the key priorities for this Committee. Please note this section of the draft report is normally initially populated through drawing on the annual Committee effectiveness review. As this is the first year of the newly constituted Audit and Assurance Committee and no effectiveness review has yet been undertaken it is important that the Committee is content with this section.

### **2.4 Section 6 – Quality of Internal Audit**

The Internal Auditors provided the Internal Audit Annual Report to the Audit and Assurance Committee on 28 July 2020 (elsewhere on this agenda) and this will assist Committee to form the opinion provided in this section. This section currently contains similar wording to the previous year's report. The Committee is requested to provide an updated opinion.

### **2.5 Section 7 – Quality of External Audit**

The Committee should be satisfied that this section reflects their opinion of the quality of external audit for the year. A draft opinion is currently included in Section 7. The Committee is asked to restate this opinion as appropriate.

### **2.6 Section 8 – Governance Statement**

The Annual Governance Statement is an integral part of the Annual Report and Accounts and is a statement that merits specific attention by the Audit and Assurance Committee. The draft Governance Statement for 2019/20 is included at Appendix 2 of this report.

Section 78 of the draft Audit and Assurance Committee Annual Report has been drafted to show the Audit and Assurance Committee giving positive assurance on the Governance Statement.

## 2.7 **Section 9 – Assurance Opinion**

Section 9 of the draft Audit and Assurance Committee Annual Report has been prepared to show the Audit and Assurance Committee providing a positive unqualified opinion on the reliability, integrity and completeness on assurances supplied.

The Audit and Assurance Committee should amend this opinion as appropriate based on the 2019/20 experience.

This section can be completed/amended once any private meetings with Internal and External Audit have been held.

## 2.8 **Section 10 - Annual Report and Accounts**

Section 10 of the draft Audit and Assurance Committee Annual Report has been prepared to show the Audit and Assurance Committee being content to recommend approval of the Annual Report and Accounts to the Council.

The final decision cannot be made until the Audit and Assurance Committee meeting on 6 October 2020 when the Annual Report and Accounts are presented along with the external auditors' report.

## 3.0 **TIMETABLE**

First draft of Audit and Assurance Committee Annual Report	28 July 2020  Audit and Assurance Committee to take an initial overview of the report, update opinions as appropriate and suggest areas where the report can be improved.  Comments and feedback from the Audit and Assurance Committee on the governance statement will be incorporated in the report.
Committee members invited to make any additional comments on the report and governance statement via electronic communications.	29 July to 14 August 2020
Audit and Assurance Committee special meeting.	6 October 2020  All Council members invited to attend. External Audit are invited to attend. Purpose is:

	<ul style="list-style-type: none"> <li>• to review 2nd draft of the Audit and Assurance Committees Annual report</li> <li>• to review the draft Annual Report and Accounts and make comment, instruct any changes or agree as presented</li> <li>• to review External Auditors report</li> <li>• Audit and Assurance Committee ordinary members to approve the recommendations to Council.</li> </ul>
Further comments to be provided by members electronically.	6 October 2020 to 13 October 2020
Further comments considered and, where necessary, incorporated into the annual report.	14 October to 19 October 2020
Annual report finalised for inclusion in Council's papers	20 October 2020 to 22 October 2020
Audit and Assurance Committee Report to go to Council for approval.	<p>Council 29 October 2020</p> <p>Consideration of Audit and Assurance Committee Annual Report to Council.</p> <p>Council will be asked to approve the 2019/20 Annual Report and Accounts.</p>
Chief Executive signs the report and we arrange for it to be laid before Parliament.	October 2020

#### **4.0 FRAUD**

4.1 No incidences of fraud were detected during the 2019/20 financial year.

#### **5.0 RESOURCE IMPLICATIONS**

5.1 There are no financial or human resources implications to consider.

#### **6.0 LEGAL IMPLICATIONS**

6.1 Auditors ensure that systems, processes and governance of the SSSC are in accordance with guidance issued by Scottish Government and comply with relevant law.

## **7.0 STAKEHOLDER ENGAGEMENT**

- 7.1 There are no immediate implications for stakeholder engagement, but the application of good governance helps to ensure that the service we provide to our stakeholders is as good as it can be.

## **8.0 IMPACT ON PEOPLE USING SOCIAL SERVICES AND CARERS**

- 8.1 An annual report from the Audit and Assurance Committee to Council is recommended good governance practice. Delivering good governance ensures the SSSC's resources and capacity are directed towards contributing to improving the lives of people who use care services and their carers'.

<b>Title of report</b>	Audit and Assurance Committee Annual Report to the Council 2019/20
<b>Public/confidential</b>	Public
<b>Action</b>	For discussion and approval
<b>Summary/purpose of report</b>	This report represents a summary of the work of the Audit and Assurance Committee and gives the Committee's opinion on the assurance that this work provides.
<b>Recommendations</b>	<p>That the Council:</p> <ol style="list-style-type: none"> <li>1. notes the work of the Audit and Assurance Committee</li> <li>2. notes the Committee's assessment of its performance and the plans to address development areas</li> <li>3. agrees that it is appropriate for the Chief Executive as Accountable Officer to sign the Annual Report and Accounts at all of the appropriate points within the document</li> <li>4. approves the 2019/20 Annual Report and Accounts.</li> </ol>
<b>Author</b>	<p>Nicky Anderson</p> <p>Head of Finance</p>
<b>Responsible Officer</b>	<p>Alan Baird</p> <p>Audit and Assurance Committee Chair</p>
<b>Link to Strategic Plan</b>	The information in this report is about our internal governance arrangements and therefore links to all of our strategic objectives.
<b>Link to the Risk Register</b>	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.

	Risk 5: We fail to provide value to our stakeholders and demonstrate our impact.
<b>Equality Impact Assessment (EIA)</b>	1. An EIA was not developed as the information in the report relates to matters of internal governance and does not impact on people with protected characteristics.
<b>Documents attached</b>	Appendix 2 – Draft Governance Statement
<b>Background papers</b>	none

## **1. INTRODUCTION**

- 1.1 The Audit and Assurance Committee Annual Report to the Council summarises the work of the Audit and Assurance Committee for the past financial year and presents the Committee's opinion on the assurance that this work provides. The report also contains the Audit and Assurance Committee's recommendation to the Council on the approval of the Annual Report and Accounts.
- 1.2 The Committee met on five occasions. All meetings were quorate.
- 1.3 The Audit Committee became the Audit and Assurance Committee in October 2019 following a wider review of the SSSC's corporate governance arrangements.

## **2. REMIT OF AUDIT AND ASSURANCE COMMITTEE**

- 2.1 The remit of the Audit and Assurance Committee is to:
- review the strategic KPI performance report
  - review the financial monitoring report
  - review the Strategic Risk Register/Management Plan report
  - ensure the audit requirements of the SPFM (Scottish Public Finance Manual) are being implemented
  - scrutinise accounting policies, accounts and annual report of the organisation with recommendations for the Council before submission to Parliament.
- 2.2 The function of the Audit and Assurance Committee is to advise the Council and the Accountable Officer on strategic processes for risk, control and governance and the governance statement; adequacy of management response to operational and financial performance, financial probity and stewardship and management of risk (financial and strategic objectives); and effectiveness of audit functions.

## **3. SUMMARY OF AUDIT AND ASSURANCE COMMITTEE WORK**

### **3.1 Internal audit reports considered**

Scott Moncrieff, the Internal Auditors during 2019/20, use a system for categorizing assurance levels where each control objective is assessed and categorized using a colour coded approach. The colour code system is as follows:

<b>Assessment</b>	<b>Definition</b>
<b>BLACK</b>	Fundamental absence or failure of key control procedures – immediate action required.
<b>RED</b>	The control procedures in place are not effective – inadequate management of key risks.

<b>YELLOW</b>	No major weaknesses in control but scope for improvement.
<b>GREEN</b>	Adequate and effective controls which are operating satisfactorily.

In addition to the above control assessments Scott Moncrieff assign management action grades to demonstrate risk exposure. They are graded using priority numbers as follows:

5	<b>Very high risk exposure</b> - major concerns requiring immediate Board attention
4	<b>High risk exposure</b> - absence / failure of significant key controls
3	<b>Moderate risk exposure</b> – not all key control procedures are working effectively
2	<b>Limited risk exposure</b> – Minor control procedures are not in place / not working effectively
1	Efficiency/housekeeping point

The following reports were submitted to and considered by the Committee:

<b>Int. Audit Plan Year</b>	<b>Report Title</b>	<b>Committee Date</b>	<b>Control Objective Assurance</b>	<b>Management Action Rating</b>
2018/19	Fitness to Practise	June 2019	1 yellow 2 green	1 action graded 2; 2 actions graded 1
2018/19	Payroll	June 2019	1 red 2 yellow 4 green	1 action graded 3; 1 action graded 2
2019/20	Income and Receivables	June 2019	5 green	No actions
2019/20	Resource Determination and Allocation Model	December 2019	1 yellow 4 green	1 action graded 2



2019/20	IT Healthcheck	December 2019	1 red 1 yellow 2 green	1 action graded 4; 2 actions graded 3
---------	----------------	---------------	------------------------------	--

The following 2019/20 internal audit report was considered by the Audit and Assurance Committee during the 2020/21 year.

<b>Int. Audit Plan Year</b>	<b>Report Title</b>	<b>Committee Date</b>	<b>Control Objective Assurance</b>	<b>Management Action Rating</b>
2019/20	Corporate Control Arrangements	April 2020	3 green	No actions

### 3.2 Consideration of the 2018/19 draft Annual Report and Accounts

The Committee held a meeting on 28 August 2019 dedicated to a detailed review of the draft Annual Report and Accounts. At the meeting of 25 September 2019, the Committee considered the draft 2018/19 Annual Report and Accounts and the associated report from Grant Thornton (external auditors) and recommended that the Council approve the 2018/19 Annual Report and Accounts.

The Committee reviewed the Governance Statement, which is included within the Annual Report and Accounts.

### 3.3 Review of Audit Plans

The Committee reviewed and approved the Strategic Internal Audit Plan (2019-22) and Internal Audit Plan for 2019/20 along with the associated assignment plans for 2019/20. The Committee monitored progress against this plan throughout the year.

Henderson Loggie were appointed internal auditors with effect from 1 April 2020. Henderson Loggie are developing the Strategic Internal Audit Plan 2020-23 which will include the draft internal audit programme for 2020/21. The Committee will consider the new strategic and annual plan in 2020/21. The Committee prioritised and agreed two 2020/21 internal audit assignments could progress ahead of agreement of the plan as a whole. The review of annual and strategic audit plans strives to ensure a strong relationship between the planned internal audits, the strategic risk register and the SSSC's duty to provide best value.

The Committee received the External Audit Plan for 2019/20 from the External Auditors, Grant Thornton.

### 3.4 **Implementation of Audit Recommendations**

Throughout the year the Committee monitored management's progress towards implementing audit recommendations. This was achieved by reviewing recommendation follow up reports prepared by Internal Auditors summarising progress on completed actions at each quarterly Audit and Assurance Committee meeting.

The internal Auditor's Annual Report concluded that of the 15 actions due to be implemented by 31 March 2020, 12 actions (80%) were fully implemented and 3 (20%) were partially implemented.

### 3.5 **Other Work**

#### Audit and Assurance Committee

In October 2019, after a review of the SSSC's governance framework, the Audit Committee became the Audit and Assurance Committee. The remit of the Committee was expanded to include Assurance Reports. These reports present a quarterly review and projection of financial and operational performance and an assessment of the risk associated with delivering this performance. The Committee makes recommendations to the Accountable Officer and the Council on a quarterly basis through a report from the Chair. This report makes a recommendation to the Council on the assurances that can be taken about the financial, operational and risk management processes as well as any specific areas of work highlighted by Internal Audit or any other relevant business.

#### Audit and Assurance Committee Self-assessment

As noted above, the SSSC carried out an extensive review of our governance arrangements during 2019/20 financial year and the committee members contributed to the approval of new governance arrangements.

#### Member Development

The Council holds a minimum of four development sessions per year and the committee members participate as they are all members of the Council. There were no specific Audit and Assurance Committee development sessions however the Council development sessions included a number of topics relevant to the work of the committee including:

- the new corporate governance arrangements, how they will work in practise and the committee's role in that.
- strategic plan development
- finance and budget setting session
- strategic risk development

#### Committee Development

A private meeting between Audit and Assurance Committee and external audit was held in September. Internal Audit did not meet privately with the Committee however the Chair and Internal Audit did meet to discuss delivery of audit services and management of the contract. The calendar of Committee business was further developed during the year.

#### Strategic Risk Register Monitoring

The Committee continued to monitor and review the Strategic Risk Register throughout the year. The Committee considered a revised Risk Policy to Council and in February 2020, the Committee recommended that the Council approve a revised Risk Register and Risk Appetite Statement.

The Committee closely monitored a fitness to practise workload risk in relation to the number of cases opened exceeding those closed which if not appropriately managed had the potential to create a backlog of cases which would be detrimental to our public protection role.

#### Internal Audit Procurement

The Committee oversaw the procurement of new internal auditors and made a recommendation to Council to appoint Henderson Loggie as the SSSC's internal auditors with effect from 1 April 2020.

#### Shared Services

In February 2020 the Committee received a report on progress with the implementation of a revised shared services model.

#### Audit Scotland Section 22 Report

During the 2019/20 financial year the Committee continued to receive updates regarding progress against the action plan that was agreed in response to the December 2018 Audit Scotland report on Governance and Transparency prepared under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. In February 2020 the Committee received a report on the SSSC's response to the themes set out in the Review of the Public Audit and Post-legislative Scrutiny Committee (PAPLS) report.

#### Audit Scotland Publications

All Audit Scotland national reports that were considered relevant to the work of the Audit and Assurance Committee were considered during the year.

#### Business Process Re-engineering (BPR)

In February 2020 the Committee received an update on the BPR review, instigated following recommendations from the ICT Health check. The Committee requested a follow-up report within six months, or earlier should any further issues be raised.

#### Fraud and Corruption Assurance Report

The Committee requested a quarterly report to include any fraud or irregularities detected.

### **3.6 Priorities for 2020/21**

#### Audit and Assurance Committee Effectiveness Review

A wide ranging corporate governance review was undertaken during 2019/20 and the role and function of the Audit and Assurance Committee was considered as part of this review. The first formal review of the effectiveness of the newly constituted Committee is planned to take place during Q4 of the 2019/20 financial year.

#### Committee Development

Members of the Audit and Assurance Committee will continue to hold private meetings with External and Internal Audit at least annually. A “horizon scanning” agenda item will continue to be considered at each meeting with the exception of the special meeting to consider the annual report and accounts.

#### Risk Management

The regular review and update of the Risk Register is a task of significant importance. The Risk Management Policy will continue to be reviewed annually alongside the risk register in line with planned committee work and key risks to the delivery of strategic objectives will be considered by the committee in the quarterly Assurance Report.

#### Governance

Robust governance remains a priority of the Committee. The Council has requested an Internal Audit of our new arrangements to take place during financial year 2020/21. *The Committee has recommended that this is included in the Internal Audit Plan.*

#### Digital Transformation

The Committee will continue to consider and monitor risks associated with the Digital Strategy.

#### Counter Fraud and Corruption Framework

The Committee will review the Counter Fraud and Corruption Framework. A shared service arrangement will be agreed with NHS Counter Fraud Services (CFS) during 2020/21. The Committee will continue to receive a quarterly Fraud and Corruption Assurance report.

## **4. PROGRAMME OF AUDIT AND ASSURANCE COMMITTEE MEETINGS**

- 4.1 The table below details expected business for the Audit and Assurance Committee during 2020/21.

<b>2020/21</b>	
Meeting Date	Business
28 April 2020	<p>SSSC:</p> <ul style="list-style-type: none"><li>• COVID-19 Decision Tree</li><li>• Assurance Report as at 31 March 2020</li><li>• Governance Improvement Plan</li><li>• Fraud and Corruption Assurance report</li><li>• National Fraud Initiative Update</li></ul> <p>Internal Audit:</p> <ul style="list-style-type: none"><li>• Recommendations Follow up Report</li><li>• Internal Audit Annual Report 2019/20</li><li>• Interim Internal Audits 2020/21</li></ul>
28 July 2020	<p>SSSC:</p> <ul style="list-style-type: none"><li>• Strategic Risk Register</li><li>• Draft Audit and Assurance Committee Annual Report</li></ul>

<b>2020/21</b>	
Meeting Date	Business
	<ul style="list-style-type: none"> <li>• Governance Improvement Plan update</li> <li>• Fraud and Corruption Assurance Report</li> <li>• Financial Horizon Scanning</li> <li>• Shared Services Management Agreement</li> <li>• Strategic Internal Audit Plan</li> </ul> <p>Internal Audit:</p> <ul style="list-style-type: none"> <li>• Equality and Diversity</li> <li>• Risk Management</li> </ul>
6 October 2020	<p>SSSC:</p> <ul style="list-style-type: none"> <li>• Draft Audit and Assurance Committee Annual Report to Council 2019/20</li> <li>• Draft Annual Report and Accounts 2019/20</li> </ul> <p>External Audit:</p> <ul style="list-style-type: none"> <li>• Report to those charged with governance on the 2019/20 audit</li> </ul>
27 October 2020	<p>SSSC:</p> <ul style="list-style-type: none"> <li>• Draft Audit and Assurance Committee Annual Report to Council 2019/2</li> <li>• Draft Annual Report and Accounts</li> <li>• Review of Financial Regulations and Debt Management Policies</li> <li>• Procurement Review</li> <li>• Assurance Report</li> <li>• Business Process Re-engineering Review</li> <li>• Shared Services Management Agreement</li> <li>• Fraud and Corruption Assurance Report</li> <li>• Fraud and Counter Fraud Policy Review</li> </ul> <p>Internal Audit:</p> <ul style="list-style-type: none"> <li>• Internal Audit Progress report</li> <li>• Internal Audit Recommendation Follow-up report</li> <li>• Internal Audit reports</li> </ul> <p>External Audit:</p> <ul style="list-style-type: none"> <li>• Annual Report and Accounts statutory audit progress</li> </ul>
2 February 2021	<p>SSSC</p> <ul style="list-style-type: none"> <li>• Assurance Report</li> <li>• Fraud and Corruption Assurance Report</li> <li>• Risk register review</li> <li>• Shared services Management Agreement</li> </ul> <p>Internal Audit:</p> <ul style="list-style-type: none"> <li>• Internal Audit Plan 2020/21 Progress Report</li> <li>• Recommendations Follow up Report</li> <li>• Internal Audit Reports</li> </ul>

4.2 All Audit and Assurance Committee agendas contain the following standing items:

- Horizon Scanning
- Action record
- Assurance report

## **5. FRAUD**

5.1 The Committee received assurance at its meeting of 28 July 2020 that there had been no incidences of fraud detected during the 2019/20 financial year.

## **6. QUALITY OF INTERNAL AUDIT**

6.1 In overall terms the Committee has assessed the work of Scott-Moncrieff the appointed internal auditors for 2019/20. The Committee is of the view that the standard of internal audit work and the reports produced was *adequate*. *However, there was concern about the quality of specific assignments particularly with respect to planning and reporting. There was also concern that the quality of the management of the internal programme had declined. Meetings were held between the Chair of the Committee and the Internal Auditor to address those concerns. It should be noted that new internal auditors have been appointed with effect from 1 April 2020.*

## **7. QUALITY OF EXTERNAL AUDIT**

7.1 The SSSC's external auditors, Grant Thornton, are appointed by the Auditor General for Scotland. The audit of the 2019/20 Annual Report and Accounts will be the fourth year (of five) of Grant Thornton's engagement. The Auditor General extended the term of external auditors for an additional year due to the COVID-19 pandemic meaning Grant Thornton will now be engaged until the audit of the 2021/22 financial year.

7.2 External audit provide an audit plan, attend Audit and Assurance Committee meetings and provide an informative report on their work. The Committee believes there is *a good working relationship between the Grant Thornton audit team, SSSC staff and the Audit and Assurance Committee.*

## **8. GOVERNANCE STATEMENT**

8.1 The Audit and Assurance Committee has reviewed the Governance Statement contained within the draft 2019/20 Annual Report and Accounts. The Committee is of the opinion that the Governance Statement fairly reflects the adequacy and effectiveness of the SSSC's governance and risk framework for the year ended 31 March 2020 and up to the date of approval of the draft Annual Report and Accounts.

8.2 The statement addresses all issues that the Committee considers to be pertinent.

8.3 The Committee advises the Council and Accountable Officer that in its opinion

it is appropriate for the Accountable Officer to sign the Statement.

## **9. ASSURANCE OPINION**

- 9.1 In preparation for developing this report to the Council, the Audit and Assurance Committee held a private meeting with external audit. The Chair met with internal audit privately. The meetings were an opportunity to review the way in which the Committee operates, and to identify any issues which the Committee would wish to draw to the attention of the Council.
- 9.2 *No issues arose from the private meetings with external audit. The Committee were satisfied that the Chair's meetings resolved any issues with the reporting mechanisms from internal audit. The internal and external auditors were able to contact the Chair directly if they felt there were any concerns or issues that needed to be raised.*
- 9.3 The Committee is of the opinion that the assurances supplied are reliable, have integrity and are sufficiently comprehensive to support the Council and the Accountable Officer in their decision making and their accountability obligations.

## **10. ANNUAL REPORT AND ACCOUNTS**

- 10.1 Following detailed review of the draft document and consideration of the external auditor's report, the Audit and Assurance Committee consider the draft Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the SSSC's performance and strategy.
- 10.2 On this basis, the Committee recommends that the Council approves the draft Annual Report and Accounts for the year ended 31 March 2020.

# SSSC 2019~~20~~/20~~21~~ Annual Report and Accounts - extract

## Draft~~RAFT~~ Corporate Governance ~~Report~~Statement



## ~~18. Directors' Report~~

### ~~18.1 SSSC Council~~

~~Members sitting on the SSSC Council during 2019/20 were:~~

- ~~• Professor James McGoldrick (Convener) (to 31 August 2019)~~
- ~~• Sandra Campbell (Convener) (from 1 September 2019)~~
- ~~• Theresa Allison~~
- ~~• Professor Alan Baird~~
- ~~• Audrey Cowie (to 31 August 2019)~~
- ~~• Paul Dumbleton (to 31 August 2019)~~
- ~~• Paul Edie (Chair of the Care Inspectorate)~~
- ~~• Julie Grace (from 1 September 2019)~~
- ~~• Lynne Huckerby (from 1 September 2019)~~
- ~~• Rona King (from 1 September 2019)~~
- ~~• Linda Lennie~~
- ~~• Forbes Mitchell (to 31 August 2019)~~
- ~~• Peter Murray (from 1 September 2019)~~
- ~~• Russell Pettigrew (from 1 September 2019)~~
- ~~• Keith Redpath (to 31 August 2019)~~
- ~~• Andrew Rome (to 31 August 2019)~~

### ~~18.2 Executive Management Team~~

~~The Executive Management Team (EMT) are employees of the SSSC. The following individuals served on the EMT during 2019/20:~~

- ~~• Lorraine Gray, Chief Executive~~
- ~~• Maree Allison, Director of Regulation~~
- ~~• Gordon Weir, Executive Director of Corporate and Customer Services (shared post with Care Inspectorate)~~
- ~~• Phillip Gillespie, Director of Development and Innovation~~
- ~~• Elizabeth Mackinnon, Interim Director of Strategy and Performance (to 7 June 2019)~~
- ~~• Laura Shepherd, Director of Strategy and Performance (from 10 June 2019).~~

### ~~18.3 Register of Interests~~

~~A Register of Members' Interests is maintained and is available for inspection by members of the public. Declarations of conflicts of interest are standing agenda items at each Council and Committee meeting.~~

#### **~~18.4 Personal data related incidents~~**

~~— We self-reported four incidents to the Information Commissioner's Office (ICO) during 2019/20. To date, the ICO has not taken any further action. Four data protection breaches were reported to the Information Commissioner's Office for the year to 31 March 2019.~~

#### **~~18.5 Disclosure of information to auditors~~**

~~So far as I, the Accountable Officer, am aware, our auditors have all the relevant information.~~

~~I have taken all steps I ought to, to make myself aware of any relevant information and to establish that our auditors are aware of that information.~~

#### **~~18.6 Non-audit fees~~**

~~Grant Thornton UK LLP provided services solely relating to the statutory audit and no further assurance, tax or other services were provided.~~

#### **~~18.7 Pension liabilities~~**

~~The SSSC is an admitted body to the Tayside Superannuation Fund. This is a local government pension scheme administered by Dundee City Council.~~

~~The local government pension scheme is a defined benefit scheme that provides pension benefits based on pensionable remuneration.~~

~~Information on how pension liabilities are treated in the SSSC's accounts can be found in the Notes to the Accounts and the Remuneration and Staff Report.~~

#### **~~18.8 National Fraud Initiative~~**

~~The SSSC participated in the National Fraud Initiative during 2018/19. This work is carried out every two years, the next exercise being 2020/21. This is a data matching exercise which assists in the prevention and detection of fraud. No issues were identified.~~

### **~~19. Statement of Accountable Officer's Responsibilities~~**

~~19.1—Under paragraph 9 (1) of Schedule 2 to the Regulation of Care (Scotland) Act 2001, the SSSC is required to prepare a statement of accounts for each financial year in the form and on the basis directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the SSSC and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.~~

~~19.2—In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:~~

- ~~• observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.~~
- ~~• make judgements and estimates on a reasonable basis.~~
- ~~• state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.~~
- ~~• prepare the financial statements on a "going concern" basis unless it is inappropriate to presume that the SSSC will continue in operation.~~

~~19.3—Scottish Ministers designated the Chief Executive as the Accountable Officer for the SSSC. The responsibilities of the Chief Executive as Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping of proper records and for safeguarding the SSSC's assets, are set out in the Non-Departmental Public Bodies' Accountable Officer Memorandum issued by the Scottish Government and published in the Scottish Public Finance Manual.~~

~~19.4—The Accountable Officer has confirmed that the Annual Report and Accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.~~

~~19.5—For the purposes of the audit, so far as the Accountable Officer is aware, there is no relevant audit information of which the auditors are unaware and all necessary steps have been taken by the Accountable Officer to ensure awareness of relevant audit information and to establish that the SSSC's auditors are aware of that information.~~

## 20. Governance Statement

### 20.1 Introduction

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the SSSC's policies, aims and objectives. I am also responsible for safeguarding the public funds and assets assigned to the SSSC, in accordance with the responsibilities set out in the [Memorandum to Accountable Officers for Other Public Bodies](#).

20.2 This annual governance statement explains the SSSC's governance and risk management framework.

### The Governance Framework

20.3 The SSSC is a non-departmental public body. We work within a broad framework agreed with the Scottish Government which can be found here [INSERT HYPERLINK]. The Council is the governing body responsible for ensuring that the SSSC fulfils its aims and objectives, for promoting the efficient and effective use of staff and other resources and for identifying and managing risk. Members come from a variety of areas including health, charities, social work and social services sector and users of services as well as the Chair of the Care Inspectorate Board.

20.4 The Council comprises the Convener and nine non-executive members. Appointments are made by Scottish Ministers and are normally for a three year term with the possibility of a further term, subject to evidence

of effective performance and satisfying the skills, knowledge and experience required on the Council at time of re-appointment.

- 20.5** We maintain a register of interests of the Council members which is available from our website [Register of Members' Interests](#).
- 20.6** In October 2019, the Council approved changes to our governance structure and a new code of corporate governance. The code sets out the full details of the Council's role, the responsibilities of each Committee and key roles in the organisation. A Committee structure chart can be accessed here [INSERT HYPERLINK] and the Code can be found here [INSERT HYPERLINK TO CODE ON WEBSITE]. The Council reviews its effectiveness every year and the Code is subject to ongoing revisions as necessary and reviewed in detail every 3 years. Initial internal audit reports suggest that our new arrangements are working well.

#### **Council Members and Attendance**

- 20.7** Council members have to comply with the SSSC's Code of Conduct for Members as well as the guidance set out in appointment letters and in On Board – A Guide for Board Members of Statutory Boards. Members are appraised on an annual basis.
- 20.8** Council meetings are held in public and the minutes of each meeting are available on our website [www.sssc.uk.com](http://www.sssc.uk.com). SSSC Committee membership and Council Member attendance is detailed in the following table:

	Council	Resources Committee	Audit Committee
<b>Number of meetings:</b>	5	4	5
<b>Council Member</b>	<b>Attended</b>	<b>Attended</b>	<b>Attended</b>
Professor James McGoldrick, (Convener) *	1	0	0
Sandra Campbell - (Convener)	3	1 (Observer)	1 (Observer)
Theresa Allison	4	2	4
Professor Alan Baird	3	2	4
Audrey Cowie *	1	0	0
Paul Dumbleton *	1	0	0
Paul Edie (Chair, Care Inspectorate)	3	0	0

Julie Grace	2	0	0
Lynne Huckerby	2	0	0
Rona King	2	1 (Observer)	3 (1 as Observer)
Linda Lennie	4	2	2
Forbes Mitchell *	1	0	1
Peter Murray	3	0	1
Russell Pettigrew	3	1 (Observer)	3 (1 as Observer)
Keith Redpath *	0	0	1
Andrew Rome *	0	0	1
<p>Notes on the table:</p> <ol style="list-style-type: none"> <li>1. The Resources Committee was disbanded in October 2019.</li> <li>2. The Audit Committee became the Audit and Assurance Committee in October 2019.</li> <li>3. The Remuneration committee met once and three members attended. This Committee was disbanded in October 2019.</li> <li>4. The Council membership changed in September 2019. Five members and the Convener left<sup>*</sup> the Council and were replaced by new members appointed by Scottish Ministers. <a href="#"><u>Those that left have been marked * above.</u></a></li> </ol>			

## **20.9 Audit and Assurance Committee**

The Council appointed an Audit and Assurance Committee to make recommendations to the Council and Accountable Officer on risk, control and corporate governance including the mechanisms for measuring performance towards achieving strategic goals. It receives reports from internal and external audit and the auditors are able to contact the Chair directly about any concerns they have during their audit work.

## **20.10 Accountable Officer**

The Accountable Officer is personally responsible to Scottish Ministers, who are ultimately accountable to the Scottish Parliament, for securing propriety and regularity in the management of public funds and for the day-to-day operations and management of the SSSC.

The detailed responsibilities of the Accountable Officer for a public body are set out in a Memorandum from the Principal Accountable Officer of

the Scottish Administration which is issued to the Chief Executive on appointment and updated where required.

#### **20.11 Executive Management Team (EMT)**

The EMT supports the Chief Executive in her Accountable Officer role through the formal Scheme of Delegation. The EMT comprised the Director of Regulation, the Director of Development and Innovation, Director of Strategy and Performance and Executive Director of Corporate and Customer Services (Care Inspectorate). Each of these officers has responsibility for the development and maintenance of the governance environment within their own areas of control.

#### **20.12 External Audit Appointment**

Under the Public Finance and Accountability (Scotland) Act 2000 our independent auditors are appointed by the Auditor General for Scotland. Audit Scotland appointed Grant Thornton UK LLP as our independent external auditors for a five-year period from 1 April 2016. Scottish Government has decided that the contract will be extended for a further year due to the impact of covid-19.

#### **20.13 Internal audit**

The SSSC's internal audit function is contracted out. Internal audit forms an integral part of the SSSC's internal control and governance arrangements. The internal audit service operates in accordance with Public Sector Internal Audit Standards and undertakes an annual programme of work approved by the Audit and Assurance Committee. This annual programme is based on a formal risk assessment process which is updated on an on-going basis to reflect evolving risks and changes. The three-year Strategic Internal Audit Plan is also reviewed and approved annually by the Audit and Assurance Committee.

Each year our internal auditors provide the Audit and Assurance Committee with assurance on the whole system of internal control. In assessing the level of assurance to be given for 2019/20, our internal auditors take into account:

- all reviews undertaken as part of the 2019/20 internal audit plan
- any scope limitations imposed by management
- matters arising from previous reviews and the extent of follow-up action taken, including in year audits

- expectations of senior management, the Council and other stakeholders
- the extent to which internal controls address the client's risk management/control framework
- the effect of any significant changes in the SSSC's objectives or systems
- the proportion of the SSSC's internal audit coverage achieved to date.

The internal auditor's overall opinion for 2019/20 was:

"the SSSC has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks."

#### **20.14 Risk management**

The SSSC has a Risk Management Policy. The main priorities of this policy are the identification, evaluation and control of risks which threaten our ability to deliver our objectives. The policy provides direction on a consistent, organised and systematic approach to identifying risks, the control measures that are already in place, the residual risk, the risk appetite and action that is necessary to further mitigate against risks.

Risks identified are maintained on a Strategic Risk Register and addressed in the preparation of the Strategic Plan. The Strategic Plan has been developed to show clear links between risks identified on the Risk Register and the SSSC's strategic objectives. As a result, the risks identified become embedded in managers' work plans for the year. The Council has agreed a risk appetite statement to underpin the SSSC's approach to risk management and control.

#### **20.15 Information governance**

We have information governance policies and procedures in place to ensure we handle data responsibly and comply with data protection and freedom of information laws. We self-reported [four-one](#) incidents to the Information Commissioner's Office (ICO) during 2019/20. [To-date, the ICO has not taken any further action. The ICO has concluded their investigation and has taken no further action.](#)



#### **20.16 System of internal financial control**

Within the SSSC's overall governance framework specific arrangements are in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period.

The SSSC's system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is the responsibility of managers within the SSSC. In particular, the system includes:

- Financial Regulations and Standing Orders
- comprehensive budgeting systems
- regular reviews of periodic and annual financial reports which indicate financial performance against forecast
- a comprehensive set of control reconciliations performed regularly
- regular compliance testing
- setting targets to measure financial and other performance
- clearly defined capital expenditure guidelines.

#### **20.17 Review**

The effectiveness of our Code of Corporate Governance is reviewed annually. Individual policies and procedures that contribute towards the overall governance framework are also subject to periodic review. This review is informed by:

- the views of Audit and Assurance Committee on the assurance arrangements.
- the opinions of internal and external audit on the quality of the systems of governance, management and risk control.
- "Certificates of Assurance" supplied by EMT members to the Accountable Officer following a review of the governance arrangements within their specific areas of responsibility.
- feedback from managers and staff within the SSSC on our performance, use of resources, responses to risks, and the extent to

which in-year budgets and other performance targets have been met.

#### **20.18 Significant issues**

2019/20 saw the implementation of significant changes to our corporate governance. There is more information in section 20.6 and 20.9 above. Initial indications are that this is working well.

#### **20.19 Corporate Governance**

Our strategy is set out in a three-year Strategic Plan supported by annual business plans. Since October 2019, we report on our financial position, strategic performance and key risks in our assurance report which is scrutinised every quarter by the Audit and Assurance Committee and recommendations made to the Council from the Committee on the assurances that can be taken.

The effectiveness of those arrangements is reviewed on an annual basis with the next review to take place in December 2020. Other planned corporate governance work includes:

##### Quality assurance

We are members of Quality Scotland and have adopted the European Foundation Quality Management (EFQM) framework. Working with Quality Scotland and undertaking a programme of self-evaluation we have identified a number of areas for improvement and are working towards a Recognised for Excellence Award. This work will continue in 2020/21.

##### Risk management

Work is continuing to embed risk management throughout the organisation by developing operational risk registers and understanding the links between strategic and operational risk. The risk management framework will be reviewed during 2020/21.

##### Shared Services

In collaboration with the Care Inspectorate we have reviewed our joint shared service strategy and will implement revised governance arrangements, management agreement and service specifications during 2020/21.

This includes the appointment of a new SSSC Director of Finance and Resources to replace the shared SSSC/Care Inspectorate post.

### Internal Audit

Henderson Loggie have been appointed as new internal auditors with effect from 1 April 2020. A new strategic internal audit plan will be prepared. We will work at developing an effective and productive relationship with the new internal auditors during 2020/21.

### Areas Identified by the Directors' Review

As part of the directors' annual review and the Certificate of Assurance process the areas below were identified for further development or attention:

- further work to bring the Business Continuity Management System up-to-date and full effectiveness
- a need to develop a corporate workforce plan to assist with matching resources to priorities and to support increased diversity.
- our approach to equality and diversity requires further improvement
- several areas were identified where additional training and support to managers would be beneficial.

## **20.20 Certification**

The SSSC's governance framework has been in place for the year ended 31 March 2020 and up to the date of signing of the Accounts.

It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the SSSC's systems of governance. Although areas for further improvement have been identified the annual review has provided sufficient evidence that the SSSC's governance arrangements have operated effectively and that the SSSC complies with all relevant guidance and generally accepted best practice in all significant respects.

<b>Title of report</b>	Governance Improvement Plan Update
<b>Public/confidential</b>	Public
<b>Action</b>	For endorsement
<b>Summary/purpose of report</b>	To update Committee on the progress of the Governance Improvement Plan.
<b>Recommendations</b>	The Committee is asked to:  1. endorse the approach taken by the management team.
<b>Author</b>	Chris Weir Head of Legal and Corporate Governance
<b>Responsible Officer</b>	Lorraine Gray Chief Executive Tel: 01382 721945
<b>Link to Strategic Plan</b>	The information in this report is about internal governance arrangements and therefore links to all our strategic outcomes.
<b>Link to the Risk Register</b>	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.  Risk 4: We fail to plan and resource our activities to deliver our digital strategy.  Risk 5: We fail to provide value to our stakeholders and demonstrate our impact.
<b>Equality Impact Assessment (EIA)</b>	An EIA was not developed because this relates to matters of internal governance and does not directly impact on people with protected characteristics. We will carry out EIAs on the individual pieces of work in the plan, where necessary.
<b>Documents attached</b>	Appendix 1 – Governance Improvement Plan

## **1. INTRODUCTION**

- 1.1 This report is intended to update the Committee on progress of the Governance Improvement Plan. A previous update was reported to the Audit and Assurance Committee on 28 April 2020.

## **2. OVERALL PROGRESS**

- 2.1 The updated Action Plan is set out at Appendix 1 to the report. Since the Committee last reviewed the plan we have completed actions 12 and 13 in the appendix. These are:

- 2.1.1 prepare a retrospective programme business case

- 2.1.2 adopt a more disciplined and structured project/programme management approach for future projects.

## **3. SHARED SERVICES IMPLEMENTATION**

- 3.1 The Committee has received regular reports on this item separately. The work is ongoing and remains a priority for the management team. The team is working on how to best progress this action point following recent Council and Committee discussions.

## **4. RESOURCE IMPLICATIONS**

- 4.1 The progress of the improvement plan is being managed within existing budgets and factored into the budget setting for 2020/21. No additional resources are sought by the management team at this time.

## **5. LEGAL IMPLICATIONS**

- 5.1 There are no specific legal implications arising as a result of this report.

## **6. STAKEHOLDER ENGAGEMENT**

- 6.1 No specific external stakeholder engagement has been carried out.

## **7. IMPACT ON PEOPLE USING SOCIAL SERVICES AND CARERS**

- 7.1 It is important that the SSSC is, and is seen to be, a well-run organisation. The things discussed in this report will allow the SSSC to function better and therefore allow us to impact positively on people using social services and carers.

## **8. CONCLUSION**

- 8.1 The steps taken in the action plan are designed to address some of the areas of concern arising as a result of recent external audits. This report is intended to give assurances to the Committee that the management team is taking appropriate courses of action to address these concerns.

<b>Governance Improvement Plan</b>						
<b>Remediation actions we have said we will take</b>  Key – <b>Actions we need CI input on highlighted in red</b>  <b>Actions/comments/timescales in the external audit report highlighted in yellow</b>						
<b>Action</b>	<b>Plan</b>	<b>Impact</b>	<b>Action owner</b>	<b>Due date</b>	<b>Management comments</b>	<b>Confidence of delivery within timescale</b>
1. Appoint Head of Legal and Corporate Governance	Appoint a Head of Legal and Corporate Governance	SSSC will have a dedicated Head of Legal and Corporate Governance to oversee Governance matters	CE	Completed July 2018	Complete	
2. Appoint permanent senior role to oversee digital	Appoint a Head of Digital  <b>They should also review our IT support to oversee the delivery of the project and ensure there is continuity to oversee and manage the risks as</b>	SSSC will have a head of Digital, who will oversee the IT team	CE	Original timescale: 31 March 2019  Revised timescale:  December 2019	Complete	Completed 6 January 2020

	they arise, recognising the reliance on ICT contract staff alongside the cost of using contractors.					
3. Make payment to CI as a result of the split from ICT shared services	Sponsor departments are arranging the transfer of budgets between them to manage this cost.	CI will not be left in a financial detriment as a result of the ending of the ICT shared services.	Scottish Government	March 2019	Complete	
4. Review of the budget for ongoing ICT project reviewed and reported to Resources and Council on an ongoing basis.	<p>A distinct budget for ongoing ICT projects to be prepared.</p> <p>This should be reported distinctly from the organisational budget.</p> <p>It should detail expenditure across lifespan of project.</p> <p>It should be monitored and</p>	<p>It will be clearer what is being spent on business as usual and what is being spent on ICT projects.</p> <p>We can demonstrate that money is being used in the most appropriate way.</p>	Head of SS/Head of Finance	<p>Original timescale: January 2019</p> <p>Revised timescale: March 2020</p>	<p>Each IT project has a distinct business case which has been submitted to sponsor department for approval before release of funds.</p> <p>Those funds will be managed through distinct budget lines relating to the individual projects and distinct from the SSSC's core operating budget.</p>	Complete



	<p>scrutinised by Resources and Council separate to the overarching organisational budget.</p> <p>It should reflect all known costs including one off costs.</p> <p>It should be reviewed in respect of changing ICT needs and overall project benefits anticipated to ensure decisions continue to represent value for money and are procured in the best manner.</p>				We will build this approach into the budget setting process for financial year 2020/2021.	
5. <b>Revise the Service Level Agreements with the CI</b>	<p>Draft them to ensure a strong customer focus is at the heart of delivery of future shared services</p> <p>Establish a clear customer and</p>	<p>Services being provided will be clearer to everyone.</p> <p>The costs of shared services and how it is calculated will be clearer.</p>	Head of LCG/Head of SS	<p>Original timescale:</p> <p>February 2019</p> <p>Revised timescale:</p>	<p><del>Management agreement approved at SSSG Council.</del></p> <p><del>CI Board on 4 February</del></p>	<p>Medium</p> <ul style="list-style-type: none"> <li>While a number of significant steps have occurred, there is still a significant</li> </ul>

	<p>service provider relationship</p> <p>Review roles and responsibilities of those delivering the shared services</p> <p>Remove requirement for Senior colleagues to report separately to two organisations which risks creating conflicts of interest and confusion over specific roles.</p> <p>Ask CIPFA to look at these as part of their governance of shared services review</p> <p>Drafted by CW and sent to KD in November 2018. With CI for comments.</p> <p>LG and CW meeting with PM, KD and GW.</p>	<p>Clearer escalation procedures. This should result in them being used more effectively, if necessary.</p> <p>Better understanding of performance indicators and how they will be applied.</p>		January 2020	<p><del>Draft Specification of services with Head of SS. Work is ongoing on the draft specification.</del></p> <p><del>Customer workshops being arranged for input from recipients of services have taken place and OMT and EMT have fed into the specification.</del></p> <p><del>Culture workshops being planned. Interim Director of Finance and Resources for SSSC has been appointed.</del></p> <p><del>Meetings have been arranged to take this forward between Directors of both organisations and the Head of Shared Services.</del></p> <p><del>The CE's have arranged meeting</del></p>	<p>amount of work to be undertaken.</p> <ul style="list-style-type: none"> <li>• This depends on the engagement of people who are not directly accountable to SSSC.</li> <li>• Competing priorities and capacity issues have made it challenging to meet timescales.</li> <li>• However there is a real commitment from Senior Officers in both organisations to conclude this to plan.</li> <li>• Engagement and monitoring at this level is frequent.</li> </ul>
--	--	---	--	--------------	---	--

					<p><u>to look at some of the challenges.</u></p> <p>Further delays may result in reputational damage and the involvement of Sponsor departments. However we have received assurances from external auditors that they are currently satisfied with the attempts being made to complete this.</p> <p><u>Regular reports going to Audit and Assurance Committee and Council separately.</u></p>	
6. Carry out a review of Governance arrangements of Shared Services and Policy Forum	<p>Appoint external body to review our Shared Services governance arrangements</p> <p>CIPFA appointed in March 2019</p>	Improve our governance arrangements of Shared Services	Head of LCG	Completed October 2019	Complete	

	Report due in June 2019					
7. Carry out a Healthcheck Review of the Digital Transformation programme.	Appoint Scottish Government Programme and Project Management Centre of Expertise to carry out a Healthcheck review of the DT programme	<p>Identify lessons learned for future projects.</p> <p>The recommendations will allow us to properly take forward the next stages of the programme.</p>	CE	Completed March 2019	Complete.	
8. Explore the post of Programme Manager	Decide whether we should appoint an internal programme manager to make sure the governance of future projects within the organisation is well managed.	<p>We will ensure that we manage projects in the most effective way from the outset in future.</p> <p>They will keep us right on the governance arrangements for that project such as:</p> <ul style="list-style-type: none"> <li>• Right governance arrangements for particular projects</li> <li>• Right people on programme boards</li> <li>• Distinct from senior managers</li> <li>• Allows proper scrutiny to take place</li> </ul>	Director of S&P	<p>Original timescale: August 2019 (subject to funding)</p> <p>Revised timescale: March 2020</p>	<p>Consultant carrying out a review of how projects are being run internally.</p> <p>Review complete and report attached</p> <p>A temporary PMO post and part time support post has been agreed as part of the 2020/21 budget in line with the report recommendations. Recruitment will commence in May</p>	Complete

		<ul style="list-style-type: none"> <li>Advise on the proper risk management procedures to put in place relating to projects.</li> </ul>				
9. Carry out a best value review of the remaining shared services	Meet with CI CEO, Director of Corporate Services and Head of Shared Services to have an independent review of the best value of the remaining shared services.	This will provide independent advice on whether the remaining shared services continue to provide best value to both organisations.	CE	<p>Original timescale: N/A (a timescale was not provided as it was dependent on the work carried out at action 5)</p> <p>Revised timescale: January 2020</p>	<p>CIPFA finalised their report suggesting that it is a cost effective service and suggested improvements.</p> <p>Complete</p>	Complete
10. Review and update the shared services strategy and shared services risk register	<p>Meet with CI to start this review.</p> <p>Review the existing strategy</p> <p>Identify areas for improvement</p>	Having a clear shared services strategy will make sure that we have a shared understanding of what both organisations want to achieve from these arrangements.	Head of SS	<p>Original timescale: June 2019</p> <p>Revised timescale: January 2020</p>	This forms part of the work set out at action 5 above.	<p>Medium</p> <p>As for point 5.</p>

	<p>Draft and get agreement from both SSSC and CI.</p> <p>Put to Resources Committee for SSSC and CI Board for approval.</p>	It should inform the governance and monitoring arrangements which will be followed to implement the strategy.				
<b>Recommendations from Digital Transformation Scotland Healthcheck</b>						
11.Refresh the Digital Strategy (Essential)	Refresh the digital strategy in to include a delivery strategy for further ICT transformation activities and the aspirations for future developments.	We will be clearer about what we need from future ICT and how we will be best placed to deliver this.	Director of S&P	June 2019	Complete	
12.Prepare a retrospective Programme Business Case	Pull together a Programme business case for the whole programme of work.	<p>Even though this will be retrospective, it will let us take stock of what we have achieved so far and that this is in line with our digital transformation strategy.</p> <p>It will allow us to see what areas we still need to work on and how we</p>	Head of P&I	<p>Original timescale: May 2019</p> <p>Revised timescale: December 2019 for reporting on the retrospectiv</p>	<p>Timescales have slipped due to other priorities taking precedent and internal absences.</p> <p>We have relied on the benefits realisation plan to identify the</p>	<del>High</del> Complete

		can plan for these improvements in future.		<p>e business case.</p> <p>Further revised to report to Digital Sponsor group on 18 March 2020.</p> <p>Further report to Council in May 2020</p>	<p>achievements to date.</p> <p>Confidence is high that it will be reported by May 2020</p> <p>Completed and approved by Digital Sponsor to be approved by Council</p> <p><u>Report went to Council in May 2020</u></p>	
13. Adopt a more disciplined and structured project/programme management approach for future projects	<p>As noted above we are looking at appointing a dedicated programme manager with relevant experience in this area.</p> <p>Take forward recommendations from this and the s22 report.</p> <p>Make sure that we properly apply and document the</p>	We will make sure that we manage internal projects most effectively and that they are well governed.	Director of S&P	<p>Original timescale: October 2019</p> <p>Revised timescale: January 2020</p>	<p>Governance arrangements put in place to date are:</p> <ul style="list-style-type: none"> <li>• Change Advisory Group</li> <li>• Programme Board</li> <li>• Digital Development Sponsor Group.</li> </ul> <p><del>These were reported to Council in June 2019.</del></p>	<del>High</del> <u>Complete</u>

	project management methodology that we are adopting.				<p><del>These are subject to ongoing review of their effectiveness.</del></p> <p><del>The consultant carrying out the work for action 8 will make recommendations on what methodology should be adopted for future projects and how we can embed this into the organisation.</del></p> <p><del>Review complete and report attached</del>  <u>New project documentation and methodology has been rolled out and with relevant guidance to the organisation.</u></p> <p><u>A Programme Management Office has been recruited and will ensure proper project governance is in</u></p>	
--	--	--	--	--	---	--



					<a href="#">place across the organisation.</a>	
14. Carry out a full and structured benefits realisation and lessons learned evaluation for the Digital Transformation Programme (Essential)	<p>Prepare a benefits realisation document.</p> <p>The benefits should be compared to the costs of the project, alongside costed efficiencies to demonstrate good use of public money/value for money.</p> <p>Prepare a lessons learned evaluation</p>	<p>We can demonstrate what benefits we are getting from this work.</p> <p>We can make sure that any lessons from this programme are easily identified if we are carrying out future projects.</p>	Head of P&I/Head of SS	<p>Original timescale: 31 March 2019</p> <p>Revised timescale: October 2019</p>	Benefits realisation was reported to Council in October 2019 which identified lessons learned. We will continue to monitor progress of the continuing digital work against this plan.	Complete
15. Deploy a structured BPR process. (Essential)	<p>Not feasible for us to carry out this year. There are other pressing priorities that we need to address.</p> <p>This year is about starting this off and then building the</p>	This will allow us to make sure that the full opportunity of digital transformation is realised.	Director of S&P	In 2020/2021	Carried forward to 2020/2021	<p>Low</p> <p>A separate paper to February Committee will address this point however this recommendation has been overtaken</p>

	<p>skills that we need going forward.</p> <p>LEAN training would assist with this.</p> <p>Put in place a change management programme.</p>					<p>by other pieces of work.</p> <p><a href="#">An overview of internal process will be presented to Committee in September</a></p>
16.Look at whether we need a dedicated project/ change management resource in the operational management structure of the SSSC	<p>This is not something that we can accommodate. We would need a separate post for this.</p> <p>This might be something that the experienced programme manager can do.</p>	It will allow us to handle change management in the most appropriate way.	Unable to complete due to funding		N/A	
<b>General Governance</b>						
17.Do we have the right mix of skills for effective governance on Council?	<p>Induction of Council members and ongoing development</p> <p>Need to recruit people with significant Audit</p>	<p>A well governed organisation, as a minimum, needs 3 things:</p> <ul style="list-style-type: none"> <li>• Right people with right skills acting courageously</li> </ul>	Head of LCG	Complete October 2019	<p>Revised arrangements were approved by Council in October 2019.</p> <p>We will continue to monitor and</p>	Complete

	<p>and Risk experience to Council</p> <p>Need to recruit people with financial background experience on Council</p> <p>Target these through recruitment process</p> <p>If unsuccessful, identify relevant people to co-opt – speak to CIPFA for some input</p> <p>Create Induction plan for existing Council members to improve these skills</p> <p>Create development plan for Council members to make sure they have effective skills for scrutinising papers/information/ responses – regular meetings between</p>	<ul style="list-style-type: none"> <li>• Right performance indicators being used properly</li> <li>• Right processes and procedures in place.</li> </ul> <p>The outcome from the s22 has led to suggestions that there has not been effective scrutiny and proactive actions taken by Council to oversee this project.</p> <p>This has led to concerns that we are not being well governed in other areas.</p> <p>Important that we therefore make sure that our governance in other areas cannot be called into question. Poor governance may lead to:</p> <ul style="list-style-type: none"> <li>• Reputational damage</li> <li>• Greater external scrutiny</li> <li>• Lower funding</li> <li>• Redistribution of functions elsewhere</li> </ul>			improve on these arrangements.	
--	---	--	--	--	--------------------------------	--

	Head of LCG and Convener should take place for this purpose.	<ul style="list-style-type: none"> <li>Possible closure (in extreme cases)</li> </ul>				
18.Right information to Council – criticism that reports going to Council are too detailed or not properly focussed.	<p>Review papers going to Council/Committees to find out:</p> <ul style="list-style-type: none"> <li>Are we asking them to make the right decisions?</li> <li>Are we providing the right information?</li> <li>Are we presenting papers in the right way?</li> </ul> <p>Compare with historic sessions and other organisations.</p> <p>Look at the good governance frameworks to see how our papers match up</p>	Council members need appropriate information before them to make the right decisions.	Head of LCG	Complete October 2019	As for point 17 above.	Complete

	<p>Relevant training for officers on what papers should contain</p> <p>Input from Council members on what information they need to scrutinise effectively and how this should be presented</p> <p>Need to be clear about which input needed within the organisation some observations:</p> <ul style="list-style-type: none"> <li>• Papers go to Council without proper legal input</li> <li>• Papers are often prepared late and do not get reviewed by EMT</li> <li>• Is the approval process clearly articulated and understood?</li> <li>• Is it too cumbersome?</li> </ul>					
--	---	--	--	--	--	--

	<ul style="list-style-type: none"> <li>How do we improve?</li> </ul>					
19. Do we have the right processes in place to govern effectively?	<p>Review and Update Standing Orders to reflect current needs for eg lack of mechanism to deal with urgent business formally for eg HCPC have specific provisions for dealing with urgent matters via email.</p> <p>Review and refresh the Scheme of Delegation – are the terms of reference appropriate for what we need? In particular we need to:</p> <ul style="list-style-type: none"> <li>Review terms of reference for each committee</li> <li>Are they necessary (Registration and Conduct Committees)</li> </ul>		Head of LCG	<p>Original timescale: March 2020</p> <p>Revised timescale: October 2019</p>	As for point 17 above	Complete

	<p>need to be abolished)</p> <ul style="list-style-type: none"> <li>• Audit Committee – needs reviewed in line with the Audit and Assurance Handbook 2018</li> <li>• Letters of appointment should be issued to each member of both committees setting out expectations for each.</li> <li>• Regular meetings arranged between chairs/head of LCG and CE to discuss relevant committee and Council business</li> </ul> <p>Are the powers delegated under the scheme of delegation appropriate for the needs of the organisation?</p>					
--	--	--	--	--	--	--

	<p>Executive Framework document – needs reviewed and updated. It is not clear if this has been agreed with Sponsor.</p> <p>Financial regulations – review to make sure reflected in scheme of delegation.</p> <p>Internal Audit Plan – review this to make sure it is capturing key risks.</p> <p>Review our risk management processes and procedures. Not embedded within the organisation. No clear indication how operational and strategic risk are managed and recorded. Difficult to see how they</p>					
--	---	--	--	--	--	--



	<p>interact. Review these procedures to make sure they are effective</p> <p>Develop assurance map for the organisation. This should tie in with the Internal Audit Plan and clearly show how we are being assured that:</p> <ul style="list-style-type: none"> <li>• The organisation is being well governed</li> <li>• That our Internal and External Audits are focussing on the right areas</li> <li>• That we are managing risk appropriately</li> <li>• That we are monitoring performance in the right way</li> <li>• That we are therefore targeting resources in the right way.</li> </ul>					
--	--	--	--	--	--	--



<b>Title of report</b>	Fraud and Corruption Assurance Report
<b>Public/confidential</b>	Public
<b>Action</b>	For information
<b>Summary/purpose of report</b>	This report provides Audit and Assurance Committee Members with an update of any fraud or other financial irregularities for the 2020/21 financial year
<b>Recommendations</b>	Audit and Assurance Committee is asked to: 1. endorse relevant checks have been done 2. note the content of the report.
<b>Author</b>	Nicky Anderson Head of Finance
<b>Responsible Officer</b>	Lynn Murray Interim Director of Finance and Resources Tel: 01382 721947
<b>Link to Strategic Plan</b>	The information in this report links to:  Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.  Outcome 2: The SSSC supports and enhances the development of the registered workforce to deliver high standards of practice and drive improvement.  Outcome 3: Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.
<b>Link to the Risk Register</b>	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
<b>Equality Impact Assessment (EIA)</b>	An EIA was not carried out. This report is for information only
<b>Documents attached</b>	None
<b>Background papers</b>	None

## **1. FRAUD AND IRREGULARITIES**

- 1.1 The Audit and Assurance Committee requested an update on any instances of fraud or corruption at each meeting. Should there be any instances of fraud or corruption, the report will set out the nature of the issue, action taken by management and any learning points that arise.
- 1.2 This report is to inform the Audit and Assurance Committee that there have been no incidences of fraud or corruption detected in the period April to June 2020 of the 2020/21 financial year.

## **2. RESOURCE IMPLICATIONS**

- 2.1 There are no financial implications arising from this report.

## **3. LEGAL IMPLICATIONS**

- 3.1 There are no legal implications arising from this report.

## **4. STAKEHOLDER ENGAGEMENT**

- 6.1 There are no implications arising for stakeholder engagement arising from this report.

## **5. IMPACT ON PEOPLE USING SOCIAL SERVICES AND CARERS**

- 5.1 The Audit and Assurance Committee plays a key part in assessing the SSSC's risk management, control and governance arrangements, ensuring these are adequate and effective. This in turn means that the SSSC optimises the use of its resources and ensures those resources are used appropriately to maximise the benefits of the work of SSSC to people who use care services.

## **6. CONCLUSION**

- 6.1 This report informs the Audit and Assurance Committee that there have been no instances of fraud or corruption detected in the period April to June 2020.

## Audit and Assurance Committee Action Record

Action Item and Reference	Meeting Action Generated
A6 - Management to arrange a development session on the key points of collaboration between SSSC and CI on statutory functions.	Audit and Assurance 4 December 2019
A5 - Management to review process for reporting on actions raised by Internal Audit, particularly covering reports and progress.	Audit and Assurance Pre December 2019
A7 - Collaborate with CI on shared services strategy and risk.	Audit and Assurance Pre December 2019
A2 - Submit a Business Process Re-engineering (BPR) report within 6 months.	Audit and Assurance 26 February 2020
A1 - Members to be given access to Scottish Government Governance Hub.	Audit and Assurance 26 February 2020
A4 (A)- Internal Auditors to be asked to carry out scoping work on agreed four areas.	Audit and Assurance 26 February 2020
A4 (B) - External Auditors to review references in Audit Plan to charge for care services, which is not an SSSC function.	Audit and Assurance 26 February 2020

A8 - A copy of NHS/SSSC counter fraud service agreement to be shared with the Convener and Committee Chair	Audit and Assurance 26 February 2020
A23 - Chief Executive to contact External Auditor to ask whether there is likely to be any follow-up to the External Auditor report that resulted in the s22 report.	Audit and Assurance Committee 28 April 2020
A 24 - Chief Executive to investigate the possibility of the hardship fund being set up as a charity.	Audit and Assurance Committee 28 April 2020
A25 - Report statistics on workers entering the sector on the Temporary Register to Committee.	Audit and Assurance Committee 28 April 2020
A26 - Update on COVID-19 to be part of Chief Executive report to Council in May.	Audit and Assurance Committee 28 April 2020
A27 - Update on any significant changes to the finance figures projected for the annual accounts to be reported to Council.	Audit and Assurance Committee 28 April 2020
A28 - A report on the impact on the sector of changes brought about by COVID-19 to be brought back to Committee.	Audit and Assurance Committee 28 April 2020
A29 - Internal Auditor to provide an updated Internal Audit Report 2019/20 follow-up review to provide the updated completion dates.	Audit and Assurance Committee 28 April 2020

A30 - Strategic Audit Plan and audit reports on Equality and Diversity and Risk Management to be submitted to next meeting of the Committee.	Audit and Assurance Committee 28 April 2020
A31 - Recommendation that Council completes the NFI self appraisal checklist.	Audit and Assurance Committee 28 April 2020

<b>Progress</b>	<b>Action Owner</b>	<b>Due Date</b>	<b>Date Task Completed</b>
In progress	Head of Legal and Corporate Governance	21/10/2020	
In progress	Interim Director of Finance and Resources	09/09/2020	
In progress	Head of Legal and Corporate Governance	07/01/2020	
In progress	Director of Strategy and Performance	15/09/2020	
Completed	Corporate Governance Co-ordinator	30/04/2020	14/07/2020
Completed	Interim Director of Finance and Resources	07/04/202	25/05/2020
In progress	Interim Director of Finance and Resources	14/04/2020	



In progress	Interim Director of Finance and Resources	07/07/2020	
Completed	Chief Executive	07/07/2020	20/07/2020
Completed	Chief Executive	07/07/2020	25/05/2020
Completed	Director of Regulation	07/07/2020	18/06/2020
Completed	Chief Executive	14/05/2020	20/05/2020
In progress	Interim Director of Finance and Resources	07/07/2020	
Not started	Chief Executive		
In progress	Interim Director of Finance and Resources	07/07/2020	

Completed	Interim Director of Finance and Resources	07/07/2020	20/07/2020
Not started	Head of Legal and Corporate Governance		

Description
Item 7: Arrange joint Development Session around the interface between CI and SSSC.
<p>Raised in Item 9: Internal Audit Review Progress Reports to Committee on completion of actions raised by Internal Auditors, should be prepared and driven by management not Auditors.</p> <p>Item 8.1: Internal Audit Report; Committee recommended progress to completion of Internal Auditor's recommendations to be reported by management not Auditors.</p>
20 Feb 2019 - Item 13.1: Meetings are progressing and reports to Audit and Assurance Committee. Committee requested a shared services risk register be developed.
Item 12: Committee recommended to Council that a BPR report making proposals on how this is taken forward. If further issues arise then an interim report should be submitted.
Item 20: Review of PAPLS; Corp Gov Co-ordinator to make sure Members can access Governance Hub and also circulate guidance on severance pay.
Item 9.3: Approval then to be sought by correspondence to feed into formal Audit Plan.
Item 8: External Auditors advised that this is not a function of the SSSC and the Audit Plan needs to be amended to delete reference to this CI function. To amend and send External Audit Plan taking out references to the CI work, i.e. charging for services.

<p>Item 6.1: The NHS/SSSC counter fraud service agreement should be agreed, signed and in place by end of financial year. Once signed and received this should be shared.</p>
<p>Item 5.1: Chief Executive asked to get confirmation or otherwise from the External Auditor that they don't intend to take any further actions following the report last year which led to the s22 report. Confirmation in writing requested.</p>
<p>Item 7.3 Committee was concerned about the potential risk of Directors managing a personally set up hardship fund for Council employees. It was suggested that setting up a charity might be an option. Chief Executive was asked to look into that possibility.</p>
<p>Item 7.6: Changes to regulation and the opening of the Temporary Register meant that students and former workers in the sector could apply to be included on a Temporary Register. Members asked for figures on different categories of workers who had applied/been included on the Register.</p>
<p>Item 8.3: Members asked that any changes to the projections be reported before they consider the final annual accounts, so they are fully updated of any changes if and as they happen and therefore prepared for commenting on annual accounts in due course.</p>
<p>Item 8.11 / 8.13.4: following an issue raised by Theresa Allison about funding for care services declining through lack of incoming fees etc, it was agreed that a piece of work on the full impact on service provision due to COVID-19 was needed with a report on findings brought back to Committee.</p>
<p>Item 10: Internal Auditor to provide an updated Internal Audit Report 2019/20 follow-up review to provide the updated completion dates.</p>

Item 12: G Weir's team to liaise with Henderson Loggie to ensure that the reports and Plan are available within the correct timecale for presenting to the July meeting of the A&A committee.

Item 15: an NFI self appraisal checklist was part of the papers to Committee. It was felt this would be a good exercise for Council to complete.

Notes
<p>M Allison and K Mitchell to lead session; Corp Gov Co-ordinator to progress above Development Session; Update on 28 April - Corp Gov Co-ordinator to check possible dates with CI; 21/05/2020 - Email from CI to say this is on hold. May give consideration to this on 18 June; Proposing Joint Development Session between CI and SSSC to take place in Q3 subject to CI availability;</p>
<p>EMT have agreed to bring back proposal by September; Raised by Committee on 26 February 2020; Meeting between C Weir, A Baird and Internal Auditors to discuss how this will be managed - K Dick arranging this; L Murray confirmed that this would be managed by Legal and Corp Gov on 13 July 2020.</p>
<p>Forms part of the Shared Services Implementation Plan.</p>
<p>Council accepted recommendation March 2020; added to forward planner for 27 October 2020.</p>
<p>Link to website added to Teams; Severance pay guidance circulated 04.03.2020; Message to Council Members Team with link and details of accessing; Scottish Government have confirmed Members have been signed up to Governance Hub.</p>
<p>Scoping work approved at April Committee; 25.05.2020 - C Weir marked as complete as approved at April Committee; Due to response times, report will be presented to Committee in April rather than by correspondence.</p>
<p>15.4.2020 - Seeking update report from External Auditors/ Director Corporate Services /Head of Shared Services to request updated plan; 18.06.20 - W Wilkie email to K Dick and N Anderson for update.</p>

<p>18.06.2020 - W Wilkie email to K Dick and N Anderson for update;</p> <p>21.05.2020 - Email to G Weir/K Dick for an update;</p> <p>28.04.2020 - Officers to pursue possibility of getting this signed/finalised and in place;</p> <p>16.4.2020 - H of SS update that wet signatures were not obtained prior to COVID-19 issues; H of SS will contact NHS Counter Fraud to see if we can progress anything meantime;</p> <p>26.02.2020 - Meeting: Update sought re Counter Fraud and Corruption Policy.</p>
<p>Chief Exec to contact External Auditor and update Committee; discussed at Council, confidential item, 23 June 2020 Item 7.14.</p>
<p>25.05.2020 - C Weir marked as complete. No further action required following statement of 14 May 2020; 14.5.2020 - Council made a statement regarding this. C Weir gave advice about powers of the Council</p>
<p>Add as possible item for Aug Council; G Weir/N Anderson to keep EMT advised of changes to projected figures; EMT will assess which changes are significant and need to be reported to Committee.</p>
<p>Revised report to be agreed correct with EMT then sent out to Members for completeness; 17.06.2020</p> <p>- updated report saved to Sharepoint and shared with EMT;</p> <p>20.07.2020 - if no comments can this be shared with Members.</p>

Reports to be saved into A&A Committee folder by 7 July 2020;  
17.06.2020 - Email from N Anderson to confirm these are expected  
in time; are on agenda for 28 July meeting.

A Wallace and C Weir to schedule in an appropriate time for this -  
perhaps pre annual away day?