



Audit and Risk Committee (ARC) Minute of Meeting 19 May 2020 1000hrs Skype Meeting	
Chair	Jayne Scott, Audit and Risk Committee Chair
Present	Andrew Harvey, Audit and Risk Committee Member Christine Martin, Audit and Risk Committee Member Julie Wardhaugh, Audit and Risk Committee Member Tim Wright, Audit and Risk Committee Member
In attendance	Janet Egdell, Accountable Officer Head of Finance (SW) Deputy Head of Finance (EG) SG Senior Internal Audit Manager (KM) SG Internal Audit Manager (SGIA) (LT) Senior Manager, Audit Scotland (MC) Head of Risk and Information Governance (JMCC)
Apologies	Audit Director, Audit Scotland, (AS) (GS) Head of Enterprise Risk Management (CI)
Secretariat	Secretary to Audit and Risk Committee (JM)

1. Introduction, apologies and chairman's matters

1.1. The Chair welcomed everyone to the meeting and noted the apologies received from the Audit Director and Head of Enterprise Risk Management. The Lead Senior Internal Audit Manager no longer attends Committee meetings now that the new internal audit team is in place.

1.2 The Committee noted that the minute of the meeting held on 30th April 2020 will be circulated in due course and tabled at a future meeting for formal approval.

2. Matters arising

2.1 The Committee noted that a financial health deep dive was conducted by Committee members after the business meeting on 30th April 2020, in advance of discussions at the May RoS Board meeting and risk workshop.

3. Internal audit update

3.1 The Senior Internal Audit Manager presented the internal audit progress dashboard which focused on the live and actively planned internal audit activity. The team are very positive about the engagement with RoS and will be reviewing the 2020 / 2021 plan timescales in the move forward to a new business as usual. The Committee welcomed the flexible and pragmatic approach taken by SGIA.

3.2 The Committee noted the approved IT assurance review terms of reference (ToR) and heard that this will be a high level review of the governance and reporting mechanism around IT projects. SGIA and the RoS assurance team are working to refine the ToR approval process going forward and to ensure these provide sufficient clarity of the proposed scope.

3.3 The Committee noted the 4 approved Covid IA response advisory activities and heard that the outcomes of these will inform whether further audit activity is required in these areas.

3.4 The Committee thanked SGIA for the helpful update and look forward to hearing the next progress update in June.

4. Annual report and accounts

4.1 The Audit Scotland Senior Manager provided a verbal progress update on the annual report and accounts process. Plans are in place to commence the audit next week and agree the remote process and approach with the RoS finance team, particularly around evidence which will require visible verification. The team will strive to deliver the audit to agreed timescale, however the Committee acknowledged things may take a bit longer than usual in the current circumstances.

4.2 The Committee heard that Audit Scotland are considering what will be necessary potential modifications of opinion this year to reflect the current pandemic circumstances, and will adjust expectations once guidance has been received from Scottish Government around the level of detail to be included in the performance report and management commentary.

4.3 The Committee heard that work on the draft accounts is progressing well and the finance team are on track to meet deadlines.

4.4 The Committee thanked Audit Scotland and the finance team for their hard work to date and look forward to receiving a further progress update in June.

5. Assurance framework

5.1 Key risk register

5.1.1 The Head of Risk and Information Governance provided a verbal overview of the draft key risk register which has been updated with a new risk profile following the recent risk workshop. This is currently being reviewed by key risk owners and EMT, and a final version will be submitted to the Committee in the autumn.

5.1.2 The Committee thanked the Head of Risk and Information for the update and look forward to receiving a further progress update in June.

5.2 COVID 19 risks and issues log

5.2.1 The Accountable Officer provided a verbal update on the COVID 19 risks and issues log which will be managed by the transition project going forward. The Accountable Officer also provided a verbal overview of the transition project and its 4 work streams: financial sustainability; workplace; digital services and people.

5.2.2 The Committee welcomed the measures undertaken to support colleagues' mental health and wellbeing and their capacity to work remotely.

5.2.3 The Committee thanked the Accountable Officer for the helpful update.

6. Financial scenario planning

6.1 The Accountable Officer provided a verbal update on financial scenario planning progress made following discussions in the recent deep dive, Board and risk workshop around options to reduce spend and maximise income. A submission has been made to the minister with our proposals and his response is awaited. A full budget review is also underway.

6.2 The Committee thanked the Accountable Officer for the update.

7. Any other competent business

7.1 None raised.

8. Meeting close

8.1 The meeting closed at 1100hrs.

8.2 The Committee agreed that verbal updates are a good format for interim meetings and are happy to assist with anything that arises between meetings should this be helpful.

8.3 Date of next meeting:
24 June 2020
1400hrs
Skype