

Meeting: Audit and Assurance Committee
Date/Time: 21 May at 09.30
Location: Microsoft Teams

Minutes – Open Session

1. Opening Items

1.1. Welcome and Apologies

Committee Members Present:

Stewart MacLeod (Chair) [StML]

Jennifer Gilmour [JG]

Rob Dunbar [RD]

Rob MacKinnon [RMK]

Donald MacPhee [DMP]

In Attendance:

Nicola Pearson, Head of Finance and Corporate Affairs [NP]

Ealasaid MacDonald, Ceannard/Accountable Officer [EMD]

Susan Brook, Wylie Bissett [SB]

Brian Battison, Audit Scotland [BB]

Orla MacDonald, Recording the Minute [OM]

Apologies

There were none.

1.2. Declarations of Interest

JG – Scottish Government

1.3. Any Other Competent Business (AOCB)

There were none.

2. Internal Audit Reports

2.1. Internal Audit: Quarterly Reports

External Organisations – Performance Management

SB provided an overview of the External Organisations – Performance Management Review which received a strong level of assurance. She provided Members with information on the purpose and scope of the review. Two low-grade recommendations and four good practice points were raised, and further information was provided. It was noted that, in agreement with management, an internal audit review was undertaken in November and other grant areas were audited as a result.

Members asked for clarity on the wording in the report when the review had been updated to include the secondary review on smaller organisations. SB to update the report and send it to NP to agree revised wording.

Members asked for further assurance regarding objective four. NP clarified how reporting is handled in the organisation and the work that will be done to resolve this. SB to check the wording and to return to the Committee with more information.

Members raised that it would be useful for the organisations whose grants were audited and for the level of funding to be listed, if appropriate. SB to review and return to the Committee with an answer.

Members raised that there was an inconsistency between objectives in reviews and requested clarity from Internal Auditors on these points. SB noted this and explained the importance of the Committee reviewing the objectives presented in the Annual Audit Plan to ensure that they provide value to Bòrd na Gàidhlig.

Actions:

SB to check file and revert re point on reporting to SMT and CPG – paper to be reissued with corrections (minor / capital G Gaelic / explanation of acronyms / objectives referring to MFOs)

Decision:

Members approved the External Organisations – Performance Management Review subject to the recommendations raised.

Risk Management

SB provided an overview of the Risk Management Review which received a substantial level of assurance. She provided Members with information on the purpose and scope of the review. One medium-grade recommendation and six good practice points were raised, and further information was provided.

Members noted that it was useful to receive external input on the Risk Management processes in place and noted work done on the Risk Register throughout the year. SB recommended that where an action does not have an end date it should be categorised as an assurance. A discussion was held around moving forward and how the Corporate Plan 2023-28 will contribute to this process once it is in use.

Decision:

Members approved the Risk Management Review.

Follow up Review

SB provided an overview of the Follow up Review which received a strong level of assurance. She provided Members with information on the purpose and scope of the review. One medium-grade recommendation has been partially completed and remains outstanding and further information was provided. SB noted that they were satisfied with progress in the last year and noted work still to be done.

Decision:

Members approved the Follow up Review.

2.2. Annual Internal Audit Report

SB provided Members with a summary of the Annual Internal Audit Report which provided an overview of the audits undertaken by Wylie & Bisset during 2023/24. She noted that they included the requirements of Wylie & Bisset as Internal Auditors for assurance that they are externally verified. SB provided Members with information on the overall opinion and of a summary of reports presented throughout the year. It was noted that high-rated actions were noted in the report even though they had already been presented to the Committee.

SB provided further information on the benchmarking and KPIs and provided assurance on late management responses by outlining the contact between Internal Auditors and Bòrd na Gàidhlig management. Management responded to the point and explained actions that will be taken to ensure this is resolved in future.

Members raised a mistake regarding income and debtors as this was pushed back and replaced by the Review of the Finance System. SB to reissue report.

Actions:

SB to reissue report – Income and Debtors wasn't pushed forward it was removed.

Decision:

Members approved the report subject to recommendations raised.

2.3. Internal Audit Plan

SB provided an overview of the proposed Internal Audit Plan for 2024/25 and the areas for review which will be included. It was noted that the Plan remains agile throughout the year.

SB gave an overview of areas reviewed in the past and those to be reviewed in 2024/25. She provided members with proposed dates for review and reporting.

Members asked whether there was an overlap between grants to Gaelic organisations and main funded organisations and NP provided further information on what will be reviewed to provide clarity that they are reviewing different areas and that both are necessary.

Members asked whether Absence Management was an area which required auditing at this time. NP noted this would not be a review of finances only, but that this would cover from an HR aspect, for example checking that policies and procedures are in place should an issue arise.

Members raised a concern that one member of staff was named as responsible for assignment plans and whether it would be appropriate for this to be distributed. The Ceannard and NP noted that this is appropriate, and that support is provided by other members of the organisation although they are not named in the plan.

Actions:

SB to reissue report – Income and Debtors wasn't pushed forward it was removed.

2.4. Status of Audit Recommendations

NP gave an overview of the paper, noting that there were no outstanding internal audit recommendations, and one external audit recommendation on the register. Recommendations made in the internal audit papers presented were marked on the register as drafts.

A note of the observations was included, and a narrative could be added to management responses if required. Members noted that a 'no action needed' narrative could be appropriate when recommendations pertaining to the same audits had been completed.

Members asked whether there was a timeline for the implementation of the disability confident scheme and NP noted that all relevant paperwork had been completed and that a response was expected by the end of the week.

Decision:

Members approved the report.

3. Risk Management

3.1. Risk Management Strategy

NP noted that this was the annual review of the risk management strategy applied by Bòrd na Gàidhlig. The actual process for determination and calculation of risks and their classification remained unchanged and there had been no other changes made to the strategy document.

Members queried whether the first sentence of paragraph 1.3 could be clearer, and NP noted that this would be reviewed and returned to the Committee if changes were required.

Actions:

NP to review the first sentence of paragraph 1.3.

Decision:

Members approved the Risk Management Strategy.

3.2. Strategic Risk Management

NP noted that there had been no changes to the risk ratings within the register since it was last presented but there had been a number of changes to the actions and narratives which were highlighted in red text in the register. It was noted how the risk management will relate to the new Corporate Plan.

Members raised that initials should be updated for risk owners, and a reminder was given regarding SMART objectives and that this could be considered while revising the Risk Register.

Actions:

NP to update to show initials for all owners. Other updates will follow the Corporate Plan.

Decision:

Members approved the Strategic Risk Register.

4. Governance

4.1. Best Value Statement

NP noted that demonstrating Best Value is a duty of all public bodies in Scotland and to address this requirement Bòrd na Gàidhlig prepare an annual Best Value Statement which sets how they aim to achieve this across seven specific themes. The Best Value Statement presented was for the financial year 2023/24 and the review of performance will be presented once the Annual Report and Accounts have been approved.

BB noted that it was useful to see this document presented to the Committee.

Decision:

Members approved the Best Value Statement.

4.2. Audit & Assurance Committee Annual Report

StML, Chair of the Audit and Assurance Committee, gave an overview of the report.

Members noted the significance of work done by the Committee and the relationship

between the internal and external auditors throughout the year in the organisation being in a good position.

Decision:

Members approved the Annual Report.

4.3. Review of the Terms of Reference

NP explained that changes made to the terms of reference for this committee were updated to give clarification regarding the renewal of membership to the committee.

Members raised a point around co-opted members not being able to provide much value in a one-year term. A point was also raised about formatting.

Actions:

NP to amend formatting before publishing / submitting to the Board.

BnG to consider the value of adding a co-opted Member for one year, as they can't add much value in four meetings.

Decision:

Members approved the Terms of Reference.

4.4. Audit and Assurance Committee Work Plan

Decision:

Members approved the Work Plan.

5. AOCB

NP provided an explanation for the change in format for the papers since the last meeting.

End of Session