

QUALITY MEAT SCOTLAND

Minutes of the Audit and Risk Management Committee Meeting
4th March 2020, 1:00pm - 4:00pm

Present:

Ann Irvine - Chair
George Milne
Louise Welsh

In attendance:

Alan Clarke
Daniel Melly (Audit Scotland)
Debbie Phillips
Gill Callaghan (TIAA)
Peter Lindsay (Audit Scotland)

Apologies:

Julie Fitzpatrick

Minutes:

Kirsty McCormack

1.	Welcome & Apologies	ACTION
	<p>Ann Irvine welcomed everyone to the meeting and all attendees introduced themselves.</p> <p>One apology was from Julie Fitzpatrick.</p>	
2.	Additions to the agenda	
	<p>There were no additions to the agenda.</p>	
3.	Declaration of interests in any agenda item	
	<p>There were no declarations of interests in any agenda item</p>	
4.	Approve Minutes of meeting on the 23rd October 2019	
	<p>A few typing errors were highlighted on page 1 and 2 which have now been amended.</p> <p>The committee agreed the minutes as an accurate record of the meeting.</p>	

5.	Update of Action Points from previous meeting	
	<p>Debbie Phillips updated the committee with the current status of the Board QMS email addresses. Debbie advised that this is still a work in progress, and we hope to get all Board members set up with and using their QMS email addresses by the 30th April 2020.</p> <p>George Milne advised that the Effective Audit & Risk Committee Training course he attended was very good, worth while attending and that he learnt a lot. George highlighted that it would be good for any new committee members to attend.</p> <p>Debbie Phillips notified the group that there are training courses for new Board members however it is not mandatory for members to attend and these are not done through Scottish Government. It would be up to QMS to decide if we make it mandatory that new members attend a training course.</p> <p>Alan Clarke asked if Debbie could find out what Board members have attended training courses and dates of when they done so and to investigate a tailored course for QMS Board members.</p>	<p>DP</p> <p>DP</p>
6.	Internal Audit	
6a.	Audit report – Industry Development	
	<p>Gill Callaghan presented the report from the recent audit on the Industry Development department. Gill highlighted that the audit passed with the highest level of assurance with one priority 3 recommendation.</p> <p>Ann Irvine asked Alan Clarke to pass on her congratulations to Sarah Millar, Director of Industry Development and to her team for all of the great work put together for the audit and for passing with a high mark.</p>	AC
6b.	Audit report – Follow up review	
	<p>Gill Callaghan presented the report from the follow up review which took place in January. The follow up review covered two areas which were audited back in 2018/2019, HR Recruitment & Retention, and Staff Performance Review.</p> <p>Gill highlighted there were 3 recommendations given when the audits took place. She advised that 2 have been implemented with 1 still outstanding under Staff Performance Review. The recommendation outstanding is to carry out training for the Executive Team for staff performance reviews. Debbie Phillips notified the committee that performance review training for the Executive Team is taking place on the 17th and 26th March and will be conducted by the training company Clemorton. Clemorton ran the middle management training back in December and staff gave great feedback.</p> <p>Gill advised that with this training to be carried out before the end of March, this recommendation will have then be implemented and completed within the agreed timescale.</p>	
8c.	Update on Outstanding Action Points	
	<p>Gill Callaghan advised that there were no outstanding action points form the internal audit.</p>	

7.	External Audit	
7a.	Finalise External Audit Plan for 2019/20 Financial Year	
	<p>Daniel Melly & Peter Lindsay presented the External Audit Plan for 2019/ 2020 Financial Year. Peter advised that there was nothing major to report and highlighted the following key areas:</p> <ul style="list-style-type: none"> ▪ Exhibit 1 - 2019/ 2020 Significant audit risks - on page 4 ▪ Exhibit 2 - 2019/ 2020 Audit outputs - on page 6 ▪ Paragraph 8 – Audit Fee - on page 6 ▪ Exhibit 3 – Materiality Values - on page 9 ▪ Exhibit 4 – Annual accounts timetable - on page 9 	
8.	External Attendee’s left the meeting	
9.	Review of Risk Register & dashboard information	
	<p><u>Table of Proposed Changes</u></p> <p>The committee reviewed the table of proposed changes and agreed on the following:</p> <ul style="list-style-type: none"> ▪ Risk A – Agreed ▪ Risk C – Agreed ▪ Risk C – Agreed ▪ Risk E – Agreed ▪ Risk F – Agreed but the wording needs to be changed. Debbie Phillips to check with Stuart Ashworth what it should read, potentially - implications of post Brexit mediation policy ▪ Risk T – Agreed <p><u>Additional risks proposed for discussion and addition if agreed</u></p> <p>The committee discussed the proposed additional risks and agreed the following:</p> <ul style="list-style-type: none"> ▪ Scottish Independence and sales to England <p>It was agreed that this could be a potential risk, due to it only being a potential risk it was agreed it wouldn’t feature in the full risk register but would be highlighted in a new section called Horizon Scanning, which would identify any future potential risks. At the next meeting the committee will look at this risk and all other risks to see what could be moved into this section.</p> <ul style="list-style-type: none"> ▪ Quality and consistency of product under the brand <p>This is to be added into risk H and to mention that this it will be a project for 2020/ 2021</p> <ul style="list-style-type: none"> ▪ Potential risk to growing export trade show, Asia especially Due to Coronavirus. Or is this covered in risk B within "other market factors" <p>This is to be added to the risk register as a new separate risk and to include any pandemic not just Coronavirus.</p> <ul style="list-style-type: none"> ▪ Ring Fenced Funds financials <p>This is to be added to the risk U under the “further action required” for us to show transparency on how the funds are accounted for within our accounts and the committee agreed we should add an additional note to our accounts to show the RFF.</p>	

	<p><u>Further comments for consideration</u></p> <ul style="list-style-type: none"> ▪ The report does not provide a "feel" for how the mitigation measures identified are progressing. It is difficult for the board to be reassured that we are on track, noting that some actions are ongoing. <p>The committee discussed this point that Charles Milne put forward at the November Board meeting. It was agreed for Ann Irvine to ask Charles at the April Board meeting for more clarification on what it is that he feels should be added and what would the implications be if it's not agreed?</p> <p>The following changes were also agreed to be made.</p> <ul style="list-style-type: none"> ▪ Risk A – Remove the risk on Sterling/ Euro ▪ Risk D – Reword now that Brexit has happened. Update with dates ▪ Risk F – Add skills shortages ▪ Risk K – Change wording where it reads in risk column – smooth transition of the EU etc. To include trade deal agreements ▪ Risk M -Change wording where it read in risk column – Contrast of better targeting etc. Speak to Lesley Cameron on wording ▪ Risk O - Change wording where it reads in Managed by column – Legal advisers. Insurance Policies etc ▪ Risk T – In the further action required add some wordings around the facts we produce in the QMS shout out with regard to the anti-red meat agenda ▪ Risk U – Add text to the further action required column – Consultation of levy repatriation <ul style="list-style-type: none"> ▪ Remove the review date column ▪ Add date to the start of the risk register when last approved by Audit & Risk Committee ▪ Add date to the start of the risk register when last approved by the Board ▪ The trend column should be colour coded to show the direction of travel. Key to be added to advise what the colours mean: <ul style="list-style-type: none"> - White = Static - Red = New Risk - Yellow = Increase - Green = Decrease <p>The Committee agreed that all of the above changes are to be made and put in the papers for the April Board to approve. Paper with update table not required.</p>	<p style="text-align: center;">AI</p> <p style="text-align: center;">DP</p>
10.	Review Board Standing Orders	
	<p>The committee reviewed and approved the Board standing Orders.</p> <p>This will go to the April Board meeting for approval.</p>	<p style="text-align: center;">AI</p>
11.	Review Scheme of Delegation	
	<p>The committee reviewed the Scheme of Delegate paper and agreed on the following actions/ changed to be made:</p> <p>2.7 – Debbie to send across the QMS Ethical Standards Policy to Alan Clarke. To then issue to the Board as a refresher.</p> <p>2.9 – Debbie to look at the wording so it includes reappointment for a maximum of 2 terms.</p> <p>2.11 – Debbie to remove the word 'above' after the text (paragraph 3.4.5)</p>	<p style="text-align: center;">DP</p> <p style="text-align: center;">DP</p> <p style="text-align: center;">DP</p>

	<p>4.7 – Debbie to change the word ‘he’ to ‘they’ so it is gender neutral.</p> <p>The committee reviewed all terms of references. Where it stated ‘<i>Detailed minutes will not be recorded since the single outcome of the meeting will be the paper to QMS Board outlining the proposed changes and reasons for them</i>’ to be replaced with ‘A summary document will be produced to confirm the topics discussed, action points agreed and to confirm future meeting dates.</p> <p>This paragraph is to be recorded into the terms of reference for the following committee’s:</p> <ul style="list-style-type: none"> ▪ Haulage Assurance Standards Setting Body ▪ Auction Marts Assurance Standards Setting Body ▪ Feeds Scheme Committee ▪ Processor Assurance Standards Setting Body ▪ Pigs Assurance Standards Setting Body <p>There was a discussion regarding putting summary documents from all committees onto the website however it was agreed that they should be limited to the Board minutes as what is discussed and agreed at these meeting is confidential.</p> <p>The Scheme of Delegation paper and Terms of reference for all committees will go to the April Board meeting for approval.</p>	<p>DP</p> <p>DP</p> <p>AI</p>
12.	Review list of QMS Policies & Procedures	
	<p>The committee reviewed the list. Debbie highlighted that all policies and procedures will be put onto the new HR System, Cascade, so that all members of staff can easily locate them. There will be a read receipt function put on for them all so that we will have confirmation that staff have read them. Debbie advised that before they are put onto Cascade, they will be reviewed and updated. Once done, this list will be completed with review dates and will be kept up to date.</p> <p>It was agreed for Debbie to change the Author/ Reviewer column from staff’s names to their job titles so that in future this column will not have to be changed whenever a member of staff leaves.</p> <p>The committee approved the list with no additional policies or procedures to be added.</p> <p>This will go to the April Board meeting for approval.</p>	<p>DP</p> <p>AI</p>
13.	Annual Summary of FOI Requests	
	<p>Debbie Phillips highlighted that there was one FOI request in 2019 and that a response was given.</p>	
14.	Review 2019 Health & Safety Activity	
	<p>Debbie Phillips informed the committee that there was no first aid treatment, accidents or near misses recorded in 2019.</p> <p>Debbie advised that all staff had completed online training courses on Manual Handling and Display Screen Equipment.</p> <p>The committee approved the report.</p> <p>This will go to the April Board meeting for approval.</p>	<p>AI</p>

