

## QUALITY MEAT SCOTLAND

Minutes of the Audit and Risk Management Committee Meeting  
3<sup>rd</sup> June 2020, 12.30pm – 2.30pm

### Present:

Ann Irvine - Chair  
George Milne  
Louise Welsh

### In attendance:

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

### Apologies:

Gill Callaghan (TIAA)  
Julie Fitzpatrick

### Minutes:

Kirsty McCormack

1.	Welcome & Apologies	ACTION
	<p>Ann Irvine welcomed everyone to the meeting.</p> <p>Two apologies were from Julie Fitzpatrick and Gill Callaghan.</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 4 <sup>th</sup> March 2020	
	<p>The committee approved the minutes as an accurate record of the meeting.</p>	
5.	Update of Action Points from previous meeting	
	<p>Agenda Item 5. Update of Action Points from previous meetings - Kirsty updated the committee with the current status of the Board QMS email addresses. Kirsty advised that there are two Board members that still need to get their email accounts set up on their devices. This should hopefully be done within the next couple of weeks.</p> <p>Agenda Item 5. Update of Action Points from previous meetings – Debbie updated the committee with the current status of training courses for Board members and advised that this will be complete by the next meeting.</p>	

	<p>Agenda Item 10. Review Scheme of Delegation – Debbie highlighted that the QMS Ethical Standards Policy has been reviewed by Alan and needs to be issued to the Board as a refresher. It was agreed that this policy will now be discussed at the June Board meeting during the Audit Committee’s update from Ann. Debbie will issue a copy to the Board after the meeting.</p>	<p><b>AI</b> <b>DP</b></p>
<b>6.</b>	<b>Report on Fraud, Theft and Bad Debts to 31st March 2020</b>	
	<p>Ann Irvine raised the question, who provides the evidence for this report and how is it verified. Paul expressed that there is no specific work to provide evidence in this report. It is work that is done through internal audit, external audit and the monthly accounts that Paul produces.</p> <p>A discussion took place regarding if the source of evidence should be noted on the report. As the report is in a format that is supported by Scottish Government and is sent to them, it was agreed to not make any changes to the format.</p> <p>Paul will present this report to the Board at the June meeting.</p>	<p><b>PB</b></p>
<b>7.</b>	<b>External Audit</b>	
<b>7a.</b>	<b>Auditors Covering Report with audit certificate &amp; letter of representation</b>	
	<p>Peter Lindsay thanked Alan Clarke, Debbie Philips and Paul Byrne for all of their help and support over the last few weeks during the external audit. He expressed that it had been difficult with the audit being done remotely which meant that the audit took longer than in previous years due to having to ask questions through emails instead of face to face in the office and paperwork not being available due to it being in the office.</p> <p>Alan Clarke passed his thanks on to Debbie and Paul for their hard work pulling everything together for the audit and thanked Peter and Daniel for their thorough audit and for recognising the extra work and hours that the team had done.</p> <p>Daniel Melly presented the auditor’s covering report highlighting a clean audit opinion with no qualifications.</p> <p>Daniel agreed that the letter of representation is to be signed by Alan Clarke electronically due to the current remote working. Once signed it is to be returned to Audit Scotland.</p>	
<b>7b.</b>	<b>Auditors Annual Audit Report 2019/20</b>	
	<p>Daniel presented the Auditors Annual Audit Report for 2019/202 and advised that there were no significant findings from the audit. The action plan highlighted 3 points and actions have already been agreed with the development officers for these to be addressed in the coming year. A report will be presented next year to update on these actions.</p>	
<b>7c.</b>	<b>Audited Accounts for the year to 31st March 2020</b>	
	<p>The Audited Accounts for the year to 31st March 2020 was presented to the group with questions raised.</p> <p>Alan Clarke raised that along with the annual accounts report we also produce another report, the Annual Review which is sent to all of our stakeholders. Alan advised that later this year he is going to look at combining the two reports but make a lighter version for stakeholders that will not have sensitive information.</p> <p>It was agreed for Alan to present this proposal to the Board at the June meeting.</p>	<p><b>AC</b></p>

<b>8.</b>	<b>Review of Risk Register</b>	
	<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"> <li>▪ Risk P – Trend should be changed to static and Inherent Risk be set to 5 and 5 and Residual Risk to 5 and 4</li> <li>▪ Risk R – Keep at a medium risk</li> </ul> <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"> <li>▪ Risk V – Split into Risks P and R and include World Health Organisation</li> <li>▪ Brexit Risks - No changes</li> <li>▪ Agriculture Bill – Add into Risk K. Inherent Risk be set at 3 to 4 resulting to 20 making it Critical</li> </ul> <p><u>Further comments for consideration</u></p> <p>The following changes were also agreed to be made.</p> <ul style="list-style-type: none"> <li>▪ Significant reduction in any sales channel – eg foodservice due to global pandemic – Potentially add in another line into Risk J. If confirmed by the Board, Debbie will confirm wording.</li> <li>▪ Scotch brands disappearing from retail packs due to retailers maximising processing throughput and reducing packaging costs / downtime. – Put into Risk J under labelling issues.</li> </ul> <p>It was agreed for Ann Irvine to propose all these changes to the Board at the June Board meeting.</p> <p>Once the Board agrees to the above changes, Debbie Phillips will update the Risk register.</p>	<p style="text-align: right;"><b>AI</b></p> <p style="text-align: right;"><b>DP</b></p>
<b>9.</b>	<b>Results of Audit and Risk Management Committee Effectiveness Self-Evaluation Questionnaire</b>	
	Debbie Phillips presented the results of the Audit and Risk Management Committee Effectiveness Self-Evaluation Questionnaire	
<b>10.</b>	<b>Any Other Business</b>	
	There was no other business raised.	
<b>11.</b>	<b>Dates of Next Meetings</b>	
	<p>Wednesday 21st October 2020 at 12.30pm  TBC August Date – For Internal Audit Plan  Wednesday 3<sup>rd</sup> March 2020 at 12.30pm</p>	