

QUALITY MEAT SCOTLAND

Minutes of the Audit and Risk Management Committee Meeting
10th March 1.30pm – 4pm

Present:

Ann Irvine - Chair
George Milne
Julie Fitzpatrick
Louise Welsh

In attendance:

Alan Clarke (QMS)
Daniel Melly (Audit Scotland)
Debbie Phillips (QMS)
Martin Ritchie (tiaa)
Paul Byrne (Accountant)
Peter Lindsay (Audit Scotland)

Minutes:

Kirsty McCormack

1.	Welcome & Apologies	ACTION
	Ann Irvine welcomed everyone to the meeting with no apologies.	
2.	Additions to the agenda	
	There were no additions to the agenda however Ann advised that she would like to discuss the Scottish Government National Fraud Initiative under agenda item 7. External Audit.	
3.	Declaration of interests in any agenda item	
	There were no declarations of interests in any agenda item.	
4.	Approve Minutes of meeting on the 21 st October 2020	
	The committee approved the minutes as an accurate record of the meeting.	
5.	Update of Action Points from previous meeting	
	There were no further updates to the actions.	
6.	Internal Audit	
6a.	Audit Report – Risk Management	
	<p>Martin Ritchie presented the report from the audit on risk management that took place in December. Martin highlighted that there were three recommendations made, each with a priority 3 level. Martin advised that Debbie Phillips has commented on each recommendation and that he is happy with everything that is being put in place.</p> <p>Alan Clarke and the Committee thanked Martin and Debbie for their work on this audit.</p> <p>Ann Irvine will update the Board at the April Board meeting.</p>	AI

6b.	Audit Report – Follow Up Review	
	<p>Martin Ritchie presented the report from the follow up review which took place in February. The follow up review covered Staff Performance Reviews which was audited back in 2018/ 2019 and Payroll which was audited back in 2019/ 2020.</p> <p>Martin highlighted that the two recommendations regarding Payroll had been implemented however the one recommendation regarding performance reviews was still outstanding.</p>	
6c.	Update on Outstanding Action Points	
	<p>Debbie Phillips advised that the one action point still outstanding from the audit on performance reviews is in progress. Due to the impact of Coronavirus we had to cancel the training for performance reviews that was arranged in March 2020. Training is now booked for March/ April 2021.</p>	
6d.	Internal Audit Plan Proposal for 2021/ 2022	
	<p>Martin Ritchie presented the internal audit plan for 2021/ 2022.</p> <p>The committee agreed with the proposed 2021/ 2022 audits and their scope for Core Financial Controls and HR Recruitment & Retention.</p> <p>The committee discussed the topic of Data Quality as it is shown in the report as being under a high risk category. The committee agreed that this would be an important area for QMS to look into.</p> <p>Martin advised that the Market Development audit is taking place in April 2021 however it is part of the audit for 2020/ 2021.</p> <p>The committee reviewed the proposed audits for 2022/ 2023 and agreed to keep in GDPR, replace Stakeholder Engagement with Procurement and for now, keep in Customer Assurance Schemes.</p>	<p>DP</p> <p>MR/ DP</p>
6e.	Internal Audit Annual Report 2019/ 2020	
	<p>Martin Ritchie presented the Audit Annual Report for 2019/ 2020 for information and highlighted that this was missed from the agenda at a previous meeting therefore only being brought to the committee now.</p> <p>Martin ran through the audits that were carried out in 2019/ 2020 with no questions raised by the committee.</p>	
7.	External Audit - Finalise External Audit Plan for 2020/ 2021 Financial Year	
	<p>Daniel Melly presented the External Audit Plan for 2020/ 2021 and highlighted the following key areas:</p> <ul style="list-style-type: none"> ▪ Exhibit 1 - 2020/ 2021 Significant audit risks - on page 4 ▪ Exhibit 2 - 2020/ 2021 Audit outputs - on page 7 ▪ Paragraph 11 – Audit Fee - on page 7 ▪ Exhibit 3 – Materiality Values - on page 9 ▪ Exhibit 4 – Annual accounts timetable - on page 9 <p>Daniel also highlighted the extension of the audit appointment and advised that this now means that instead of the audit for 2020/ 2021 being the final year of the appointment, it will now be once the audit for 2021/ 2022 has been concluded.</p>	

	Ann Irvine raised the point regarding the Scottish Government National Fraud Initiative. Daniel advised that this is covered under Exhibit 1, points 1 – 3 and there is nothing separate that QMS needs to put in place.	
8.	Review Template of Reformatted Risk Register	
	<p>Debbie presented the proposed new format of the Risk Register after receiving comments and suggestions at the last committee meeting.</p> <p>The committee agreed that this format is much easier to read and they liked the way that categories are grouped together.</p> <p>The committee approved the new format and it will be shared with the Board at the April Board meeting for approval.</p> <p>Ann Irvine and the committee thanked Debbie for her work at putting this new format together.</p>	AI
9.	Review of Risk Register	
	<p>The committee reviewed and agreed the proposed changes to the risk register with a few additional changes that Debbie Phillips is to make:</p> <ul style="list-style-type: none"> • Risk C – Add AHDB to the horizon scanner • Risk D – Add Response to consultations to the horizon scanner • Risk I – Add to horizon scanner - protecting our brands by trademarking our PGI and other quality marks. Risk is we may not get into the categories we want to • Risk V – Check with Jock Gibson • Risk W – Check with Jock Gibson <p>This will go to the April Board meeting for approval.</p>	DP AI
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>	AI
11.	Review Scheme of Delegation	
	<p>The committee reviewed the Scheme of Delegation and agreed that a list of standard agenda items should be added to all committee meetings for them to follow throughout the year. Alan advised that this will be done for 2021/ 2022 committee meetings with one of the standard items being for committee's to review their Terms of Reference.</p> <p>The committee reviewed and approved the Scheme of Delegation.</p> <p>This will go to the April Board meeting for approval.</p>	DP AI
12.	Review list of QMS Policies and Procedures	
	<p>Debbie Phillips presented the current list of policies and procedures which included 5 additional ones since last year's review.</p> <p>Debbie advised that this past year has encouraged us to bring forward the plans we already had in moving our IT infrastructure to cloud based solutions. Taking into account the changes we are about to go through, there will be a lot of our policies and procedures that will become out of date, as new processes are introduced.</p>	

	<p>The committee advised that there were no additional policies or procedures that they felt should be included in the list.</p> <p>The committee agreed with the direction of travel to have less individual documents and instead combining them under overarching policies.</p> <p>It was agreed for Debbie to add a review date column to the list and to add last review date and next review date to all policies and procedures.</p> <p>Ann Irvine will update the Board at the April Board meeting</p>	<p>DP</p> <p>AI</p>
13.	Annual Summary of FOI Requests	
	<p>Debbie Phillips highlighted that there was one FOI request in 2020 and that a response was given.</p> <p>Ann Irvine will update the Board at the April Board meeting</p>	AI
14.	Review 2020 Health and Safety Activity	
	<p>Debbie Phillips informed the committee that there was no first aid treatment, accidents or near misses recorded in 2020.</p> <p>Debbie advised that all staff had completed online training courses on Manual Handling and Display Screen Equipment.</p> <p>Ann Irvine will update the Board at the April Board meeting.</p>	AI
15.	GDPR Report	
	<p>Debbie Phillips informed the committee that there were no GDPR or breach incidents during 2020.</p> <p>Ann Irvine will update the Board at the April Board meeting.</p>	AI
16.	Risk Management Policy Update	
	<p>Debbie Phillips advised the committee that following our Risk Management internal audit, we received a recommendation to include a statement or table showing Quality Meat Scotland's risk appetite. Debbie presented the committee with 3 examples of how it could be added.</p> <p>The committee reviewed the 3 examples and shared their opinions before agreeing on the following:</p> <ul style="list-style-type: none"> Keep the first 4 lines of example 1 with an addition of the explanation that the risks highlighted in red within the red meat industry is out with our control but are acceptable. <p>Alan Clarke and Debbie agreed to make these proposed changes, highlight them in yellow and send it round the committee for approval.</p> <p>Ann Irvine will take this to the April Board meeting for approval.</p>	<p>DP/ AC</p> <p>AI</p>
17.	Any other business	
	<p>Ann Irvine advised that she would send on the link to Audit Scotland's Covid-19 Guide for Audit & Risk Committee's for information purposes.</p>	AI

	<p>Debbie Phillips highlighted that she would send out the Audit and Risk Management Committee Effectiveness Self-Evaluation Questionnaire after the meeting for everyone to complete.</p> <p>Ann Irvine will update the Board the results from the questionnaire at the April Board meeting.</p>	<p>DP</p> <p>AI</p>
18.	Dates of Next Meetings	
	<p>Wednesday 2nd June 2021 at 1.30pm Wednesday 20th October 2021 at 1.30pm</p>	