

# Audit & Risk Management Committee

## Minutes from Meeting on Tuesday 28<sup>th</sup> June 2022

### QUALITY MEAT SCOTLAND

Minutes of the Audit and Risk Management Committee Meeting  
28<sup>th</sup> June 2022 1.30pm – 4pm

**Present:**

Ann Irvine - Chair  
Charles Milne  
Gordon Wallace  
Pete Brown

**Apologies**

Paul Byrne

**Minutes:**

Kirsty McCormack

**In attendance:**

Daniel Melly (Audit Scotland)  
Debbie Phillips (QMS)  
Martin Ritchie (ttaa)  
Peter Lindsay (Audit Scotland)  
Sarah Millar (QMS)

1.	Welcome & Apologies	ACTION
	Ann Irvine welcomed everyone to the meeting which was Pete Brown's first Audit & Risk Management Committee meeting. There was one apology from Paul Byrne.	
2.	Additions to the agenda	
	There were no additions to the agenda.	
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 9 <sup>th</sup> March 2022	
	The committee approved the minutes as an accurate record of the meeting.	
5.	Update of Action Points from previous meeting	
	<p>Debbie Phillips gave an update on the outstanding action No. 12 regarding how we report verbal abuse that staff and Board receive. She advised that she will be researching what other similar organisations do. Debbie will present her findings at the next meeting for the committee to review.</p> <p>Debbie highlighted actions which were on the agenda for discussion today:</p> <p>No.2 &amp; 3 - Internal Audit Plan Proposals for 22/ 23 No. 7 - Review of risk register</p>	Debbie

<b>6.</b>	<b>Report on Fraud, Theft and Bad Debts to 31<sup>st</sup> March 2022</b>	
	The report confirmed that there was no fraud, theft or bad debts identified.	
<b>7.</b>	<b>External Audit</b>	
<b>7a.</b>	<b>Auditors Covering Report with audit certificate &amp; letter of representation</b>	
	<p>Daniel Melly presented the auditor's covering report highlighting a clean audit opinion with no qualifications.</p> <p>Daniel advised that the letter of representation is to be signed by Sarah Millar electronically. Once signed it is to be returned to Audit Scotland along with the signed annual accounts once approved by the Board at the meeting on the 1<sup>st</sup> July.</p> <p>Ann Irvine highlighted a word that needs to be added to the auditors covering letter:</p> <ul style="list-style-type: none"> <li>Point 3, 4<sup>th</sup> line, the word 'to' is to be added to read 'was to be restricted'</li> </ul>	<p><b>Sarah</b></p> <p><b>Debbie</b></p>
<b>7b.</b>	<b>Auditors Annual Audit Report 2021/22</b>	
	<p>Daniel presented the Auditors Annual Audit Report for 2021/ 2022 and advised that there were no significant findings from the audit. He talked through the action plan which highlighted the following 2 action points:</p> <ul style="list-style-type: none"> <li>IFRS 16 Leases – New accounting standard. Action to contact sponsor body Scottish Government to ensure that we are in a position to quantify the impact of IFRS 16 in the 2022/23 annual accounts.</li> <li>Financial Sustainability – Due to uncertainty of Brexit and Covid recovery. Action for regular and effective monitoring of budgets.</li> </ul>	<p><b>Debbie</b></p> <p><b>Debbie</b></p>
<b>7c.</b>	<b>Audited Accounts for the year to 31<sup>st</sup> March 2022</b>	
	<p>Debbie Phillips presented the Audited Accounts for the year to 31st March 2022. Debbie highlighted the only change to the accounts since presented to the Board previously was for levy repatriation in quarter 4, a surplus of £60k to account for against the estimate and what was received.</p> <p>It was agreed for the following changes to be made:</p> <ul style="list-style-type: none"> <li>Page 18, point 11 Key Deliverables By Department – Add a footnote to explain the changes with the Economics Services department.</li> <li>Page 23 – Audit &amp; Risk Management Committee -This is to be removed as it is a duplicate of page 24</li> </ul> <p>Ann Irvine and the committee passed on their congratulations to Debbie Philips and Paul Byrne for the excellent audit results.</p>	<b>Debbie</b>
<b>8.</b>	<b>Internal Audit</b>	
<b>8a.</b>	<b>Internal Audi Plan 22/ 23</b>	
	Martin Ritchie presented the audit plan for 22/23 confirming we will have 3 audits this year. First being GDPR after summer, Consumer assurance schemes after Christmas and a follow up audit. Procurement audit has been moved into 23/ 24.	

	<p>It was agreed for Sarah Millar to speak with the Executive Team to ask for suggestions on a 2<sup>nd</sup> audit for 23/24.</p> <p>Ann Irvine agreed to ask the Board for suggestion on a 2<sup>nd</sup> audit for 23/ 24.</p>	<p><b>Sarah</b></p> <p><b>Ann</b></p>
<b>9.</b>	<b>Review Risk Register Risks in High Category</b>	
	<p>Following Board comments at the April Board meeting regarding their feeling that there were too many risks in the red category on the register, the committee reviewed each risk in the red category and agreed that as we are in crisis mode at present, all of the risks that are categorized in red reflect this and therefore no changes need to be made. The committee agreed that comments on each risk need to be updated to make them stronger and show the real risk that is possible. Sarah Millar will look at this.</p> <p>Ann highlighted that we are now receiving good feedback on the risk register from Board members and passed on her thanks.</p>	<b>Sarah</b>
<b>10.</b>	<b>Review of Risk Register</b>	
	<p>The committee reviewed the risk register and agreed for Debbie to make the following changes:</p> <ul style="list-style-type: none"> <li>▪ Industry Risk 5.1 - Remove and add into Risk 1.1.</li> <li>▪ Add Assurance scheme withdrawals to the register following Kathryn Kerrs report.</li> </ul> <p>Ann Irvine agreed to take the following to the Board at the July meeting for their views:</p> <ul style="list-style-type: none"> <li>▪ Industry Risk 1.6</li> <li>- Should we increase the risk?</li> <li>- Should we combine with risk 1.1?</li> </ul> <p>Industry Risk 1.1</p> <ul style="list-style-type: none"> <li>- Should we add text about the Northern Ireland protocol bill? Charles Milne agreed to send to the committee, proposed text that should be added into Risk 1.1 ahead of the July Board meeting.</li> </ul> <ul style="list-style-type: none"> <li>▪ Organisational Risk 3.4</li> <li>- Provisionally agree scores for new risk. When full report from Johnstone Carmichael is received the committee will review.</li> </ul>	<p><b>Debbie</b></p> <p><b>Ann</b></p>
<b>11.</b>	<b>Results of Audit and Risk Management Committee Effectiveness Self-Evaluation Questionnaire</b>	
	<p>Debbie Phillips presented the results from the Audit and Risk Management Committee Effectiveness Self-Evaluation Questionnaire. The following summary is from responses from 3 committee members answering 40 questions:</p> <ul style="list-style-type: none"> <li>▪ I agree - 90%</li> <li>▪ I disagree - 0%</li> <li>▪ I don't know - 8%</li> <li>▪ We don't do this but we should - 0%</li> <li>▪ We do some of this but we need to do more - 3%</li> </ul> <p>Debbie ran through each question and answered any questions the committee had.</p> <p>The following actions were agreed:</p>	

	<ul style="list-style-type: none"> <li>▪ Kirsty McCormack to get in touch with Scot Gov re Charles Milne still waiting to attend the onboard course.</li> <li>▪ Kirsty to send link to available training courses to all Board members</li> <li>▪ Debbie and Ann to review question 13 and update to include roles and responsibilities</li> <li>▪ Debbie to add to the TOR, committee will receive formal feedback on performance</li> <li>▪ Debbie to add to the TOR, Chairs closed session to be added onto the end of agenda for every meeting</li> </ul>	<b>Kirsty</b>  <b>Kirsty</b>  <b>Debbie/Ann</b>  <b>Debbie</b>  <b>Debbie</b>
<b>12.</b>	<b>Any other business</b>	
	<p>The committee discussed the issue of verbal abuse from external stakeholders that some staff and Board have experienced. There was real concern expressed and the committee agreed that Ann Irvine should raise this with Board at the July meeting so the matter can be discussed as a full Board in the hope to agree what should be done to prevent and to record verbal abuse.</p> <p>It was agreed that verbal abuse from external stakeholders should be added to the risk register.</p>	<b>Ann</b>  <b>Debbie</b>
<b>13.</b>	<b>Dates of Next Meetings</b>	
	<p>Wednesday 19<sup>th</sup> October 2022 at 1.30pm</p> <p>Wednesday 8<sup>th</sup> March 2023 at 1.30pm</p>	