

Audit & Risk Management Committee

Minutes from Meeting on Wednesday 2nd June 2021

QUALITY MEAT SCOTLAND

Minutes of the Audit and Risk Management Committee Meeting
2nd June 1.30pm – 4pm

Present:

Ann Irvine - Chair
George Milne
Julie Fitzpatrick

Apologies:

Louise Welsh
Paul Byrne (Accountant)

In attendance:

Alan Clarke (QMS)
Daniel Melly (Audit Scotland)
Debbie Phillips (QMS)
Martin Ritchie (ttaa)
Peter Lindsay (Audit Scotland)

Minutes:

Kirsty McCormack

1.	Welcome & Apologies	ACTION
	Ann Irvine welcomed everyone to the meeting. There were two apologies from Louise Welsh and 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 10 th March 2021	
	The committee approved the minutes as an accurate record of the meeting.	
5.	Update of Action Points from previous meeting	
	Debbie Phillips gave an update regarding the current status of the GDPR project. Debbie advised that the project is in the final stages and once complete it will be shared with the committee and the Board. Training will also be given to members of staff to make sure that they understand the procedures.	
6.	Report on Fraud, Theft and Bad Debts to 31 st March 2021	
	The report confirmed that there was no fraud, theft or bad debts identified. The committee had a discussion around the definition of bad debts and Debbie advised the processes in place to reduce the risk of fraud. Paul Byrne will present this report to the Board at the June meeting.	PB

7.	External Audit	
7a.	Auditors Covering Report with audit certificate & letter of representation	
	<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 Alan Clarke electronically. Once signed it is to be returned to Audit Scotland along with the signed annual accounts.</p> <p>Ann Irvine highlighted a word that needs to be added to the letter:</p> <ul style="list-style-type: none"> Appendix B – Letter of Representative, point 3 2nd line, the word of is to be added. 	DP/ DM
7b.	Auditors Annual Audit Report 2020/21	
	Daniel presented the Auditors Annual Audit Report for 2020/2021 and advised that there were no significant findings from the audit. The action plan highlighted 1 action point which is regarding the uncertainty of Brexit, therefore the budget will be monitored closely over the next year.	
7c.	Audited Accounts for the year to 31st March 2021	
	<p>The Audited Accounts for the year to 31st March 2021 was presented to the group.</p> <p>Ann Irvine highlighted a typo on page 23 in the table under EU Exit, the word development should be changed to developed.</p> <p>Ann and the committee commented on the excellent sickness and absence results for 2020/ 2021.</p> <p>A discussion was had regarding QMS offering staff the flu vaccine again this year as they did last year. Debbie advised that they will offer it again this year and she would share with the committee the number of staff who took up the offer last year.</p> <p>Ann passed on her congratulations to Debbie Philips and Paul Byrne with the outstanding audit results.</p>	<p>DP</p> <p>DP</p>
8.	Internal Audit	
8a.	Audit report – Market Development	
	<p>Martin Ritchie presented the report from the Market Development audit that took place in May but was part of the 2020/ 2021 audit plan. Martin highlighted that there were no recommendations made, but there was 1 operational improvement suggestion made towards a report that is produced for the Board.</p> <p>The committee thanked Martin, Tom and the rest of his team for the excellent result of the audit.</p>	
8b.	Internal Audit annual report 20/21	
	Martin Ritchie presented the report which gives a summary of the audit work carried out in 2020/ 2021.	

	<p>He highlighted one of the key areas from the report, the Head of internal audits annual opinion and advised that there are no areas for concern to bring to the attention of the committee.</p> <p>The committee had a discussion around cyber assurance and what QMS have in place already and what more needs to be done. Debbie advised that through our IT company we get an annual audit for cyber essentials plus where they test our systems including our antivirus software. Staff do an annual training course on cyber security which focuses a lot on spam emails as this is a key area for malware to come through.</p>	
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> <p>Risk 2.1 - add in but not Australia specific – food imports and not just free trade Risk 5 – Brexit should be updated with the latest situation Risk 6 – Covid-19 should be updated with the latest situation Risk 6.1 - 'infectious disease' should replace coronavirus</p> <p>It was agreed for Debbie to invite our IT company to attend a future Audit & Risk committee meeting to present to us on cyber and data security and what they do to protect QMS and what potential things we could put in place. It was also discussed for Debbie to find out if we have company insurance on cyber and data security.</p> <p>This will go to the April Board meeting for approval.</p> <p>The committee asked for Alan Clarke to update the Board at the June meeting of the current situation with AHDB.</p>	<p>DP</p> <p>DP</p> <p>AI</p> <p>AC</p>
10.	Results of Audit and Risk Management Committee Effectiveness Self-Evaluation Questionnaire	
	<p>Debbie Phillips presented the results from the recent questionnaire which each committee member completed.</p> <p>The results highlighted that the committee felt that new members joining the committee require more induction and training. This applies to members joining all committee's</p> <p>Debbie advised that this is being looked at as part of the induction process for the new members of the Board that will be recruited this year and that a training plan will be put in place.</p> <p>The results also highlighted that the committee were unsure of what was the Governance Statement (formerly known as the Statement on Internal Control). Debbie agreed to send this to the committee for information.</p>	DP
11.	Any other business	
	There was no other business raised.	
12.	Dates of Next Meetings	
	<p>Wednesday 20th October 2021 at 1.30pm March 2022 – TBC June 2022 - TBC</p>	