

**Minutes of the Meeting of the Audit & Risk Committee
held at the Radisson Blu Hotel, Edinburgh
on 25 November 2021 at 9.15am**

PRESENT: Isabel McGarvie Chair
Robert Fernie
Margaret Moore (via Zoom)

IN ATTENDANCE: Lynne Douglas Chief Executive
Val Hunter Director of Business Development
Tracey Howatt Director of Customer Experience
Paula Rice Director of Finance & Technology
Nikki Ritchie Director of People & OD
Christina Greig Head of Strategic Programmes (via Zoom)
Clare Beesley Governance Manager
Martin Ritchie Internal Auditor, TIAA (via Zoom)

026. Apologies for Absence

There were no apologies for absence.

027. Declaration of Interests

There were no declarations of interest.

028. Minutes

(i) Minutes of the Meeting held on 9 September 2021

The Minutes of the Audit & Risk Committee meeting held on 9 September 2021 were approved and signed by the Chair.

(ii) Confidential Minutes of the Meeting held on 9 September 2021

The Confidential Minutes of the Audit & Risk Committee meeting held on 9 September 2021 were approved and signed by the Chair.

029. Business Arising

(i) Action List

The Audit & Risk Committee noted the Action List.

030. Internal Audit

(i) Governance – Regulatory Standards

The Committee received Report A&R/5(i)/NOV/21 from the Director of Finance & Technology

It was noted that the audit provided a substantial level of assurance with two routine actions for improvement. The report highlighted two areas of good practice.

In respect of the Treasury Management Policy, work on this was being progressed. In relation to the skills gap analysis piece of work, the Governance Manager confirmed that a survey of Board members had been conducted, the outcome of which was being presented to the Board later in the day.

The Audit & Risk Committee:

(i) approved the Internal Auditors report for Governance & Regulatory Standards; and

(ii) noted the two management actions for improvement.

(ii) Assurance Review of Use of Agency Staff

The Committee received Report A&R/5(ii)/NOV/21 from the Director of Finance & Technology.

It was noted that the audit provided a limited level of assurance with one urgent action, five important actions, two routine actions and three operational actions. Two areas of good practice had been highlighted. The Director of Finance & Technology confirmed that she was fully behind the recommendations which would be implemented by those named as responsible in the report.

The Internal Auditor advised that he was aware that difficulties had been encountered in respect of recruitment of staff due to Covid and Brexit and that this had been noted in the report and contributed in part to some of the issues that have been noted. The Director of Finance & Technology advised that staff were trying hard to resolve the issues raised.

The Director of Finance & Technology accepted the procurement recommendations but, noted the issues which were occurring due to agencies themselves not being able to meet demand to fulfil Bield's level of agency staff. It was noted that it was acceptable to go off the procurement framework but where Bield had fallen down was monitoring the levels of spend that we incurred outside of the framework. A query was raised as to

whether this would raise any governance/regulatory issues and the Director of Finance & Technology confirmed that procurement rules had been breached but that this was not notifiable. The Chief Executive confirmed that Bield had a good explanation as to why this problem arose.

In respect of the recommendation relating to reception/admin staff, it was noted that these posts were one year fixed term contracts rather than being 'converted to permanent positions' as stated in the recommendation. It was agreed that the wording be amended to reflect this.

A query was raised in respect of where Bield compared to others undertaking similar audits and the Internal Auditor confirmed that they were consistently giving limited assurance as there were numerous organisations in a similar position.

The Audit & Risk Committee:

- (i) approved the Internal Auditor report for Use of Agency Staff; and**
- (ii) noted the eight recommendations and three management actions for improvement.**

031. Priority Items

- (i) Confidential: Risk Update – November 2021

The Committee received Report A&R/6(i)/NOV/21 from the Director of Finance & Technology.

Following a review of risks, a new Risk (42) had been added, Risks 14 and 25 remained unchanged and amendments had been made to Risk 19.

It was noted that recent announcements from the Department of Health & Social Care were recommending an increase in the Scottish Living Wage from £9.50 to £10.02 per hour for certain staff within Bield. This could potentially raise a number of risks.

Once the increase had been implemented, from 1 December 2021, the risk may reduce.

The Audit & Risk Committee noted the changes in the risk register as identified by the Senior Management Team and confirmed the current controls and mitigating actions were sufficient to manage the identified risks.

032. Any Other Business

There was no other business.

033. Date of Next Meeting

The date of the next meeting was due to take place on 17 February 2022.