

**Consumer Scotland
Audit and Risk Committee Meeting
20 September 2022**

Minute of Meeting

Present:

Nick Martin – Chair
Angela Morgan – Member

In attendance:

David Wilson – Chair, Consumer Scotland
Sam Ghibaldan – Chief Executive
Sue Bomphray – Director of Operations
David Stark – Senior Internal Audit Manager, Scottish Government
Glen Bissett – Internal Audit Manager, Scottish Government
Hilary Tennant – Governance and Corporate Services Manager (minutes)
Polly Mazurkiewicz – Business Support and Secretariat Officer

Apologies:

James Walker – Member

Agenda Item 1 – Welcome and Declarations of Interest.

1. The Chair welcomed everyone to the meeting and introductions were made. Apologies were noted. There were no declarations of interest.

Agenda Item 2 – Minutes of Previous Meeting

2. The minutes of the previous meeting on 21 June 2022 were approved by the Committee.

Agenda Item 3 – Action Tracker (Sue Bomphray)

3. The Action Tracker was presented to the Committee, and the updates noted. The tender for External Audit services was live and it was hoped to award the contract shortly. Audit Scotland have indicated their intention to appoint the same auditor as for Environmental Standards Scotland to reflect the two organisations' intent to work collaboratively in the shared services arena.

Agenda Item 4 – Internal Audit (David Stark)

4. David Stark provided an update on implementation of the Internal Audit service in CS, and confirmed that the Memorandum of Understanding had been agreed and signed by the Chief Executive and the Senior Internal Audit Manager. A copy of the IA Charter and Strategy had been circulated to the Committee.
5. The Annual Audit plan for 2022-23 was presented, with 15 days allocated to general advisory work over Q3 to focus on corporate governance, internal controls and risk management, and a formal assurance report to be provided in Q4.
6. The Committee noted the need to build a strong relationship with the IA function, and to focus on areas where the organisation needed to strengthen its level of assurance. Work would also begin on the risk management function, and the IA Manager and Governance and Corporate Services Manager would meet to progress the planned work programme.
7. A question was raised in relation to the fee for the service, and whether this was comparable to other similar-sized organisations. David Stark agreed to review the fee against other organisations and advise the Committee if there was any disparity.
8. The Internal Audit Annual Plan was approved by the Committee.

Agenda Item 5 – Financial Report 2022-23 (Sue Bomphray)

9. The finance report was presented to the Committee. The key areas of note were:
 - CS annual budget was £2.5m, however only £2m had been transferred into our account at present, with the further £0.5m to be transferred at the Autumn Budget Review.
 - Phased recruitment over 2022 has resulted in a lower than anticipated salary spend. It had been agreed to utilise this underspend to commission work on key project areas through short-term appointments.
10. The finance report provided an initial view of the current budget position, and would be further developed to include a forecast for the remainder of the financial year and further details about core and levy funding all CS income.
11. In discussion the Committee agreed the need for the accounts to include the full budget for 2022-23 and the Chief Executive advised that CS would work with the Scottish Government sponsor team to ensure all CS income and expenditure was reflected in the accounts.
12. The Chair emphasised the need to include details on accruals and the end of period outturn within the financial forecast, to provide the Committee with a clear picture of any underspend and allow this to be utilised effectively.
13. The Chair and Director of Operations would meet following the Committee to review the current financial report and develop the information for 2023-24. Any proposed changes

would be shared with our IA Manager to ensure a robust and accurate financial report was developed.

Agenda Item 6 – Risk Management Strategy (Sue Bomphray)

14. The Director of Operations gave a verbal update to the Committee on the proposed development of the CS Risk Management Strategy. IA would support this development, and each team within CS would be involved in identifying risks within their area. Training and support would be sought from the Scottish Government Risk and Governance Team and our IA Manager.
15. The emphasis would be on developing a proportionate strategy and establishing a positive risk culture where all staff are involved in managing risks in their operational area. Two risk registers should be developed: a strategic register and an operational register.
16. An initial draft of the risk register would be presented to the Committee before being referred to the Board for approval.

Agenda Item 7 - AOB (Chair)

17. There being no further business, the meeting closed. The date of the next meeting is Tuesday 13th December at 9:30am in Meadowbank House.