

**Minutes of the SWIA Audit Committee Meeting
2.00 pm, 20 August 2009
Pentland Room, Ladywell House**

Present: Hamish Hamill, External Independent Advisor, Chair
Sandra Nutley, External Independent Advisor
David Wiseman, Care Commission
Alexis Jay, Chief Inspector
Andrew Wilkinson, Corporate Manager
Lorna Meahan, Audit Scotland
Andy Anderson, Audit Scotland
Gordon Robinson, Scottish Government Internal Audit
Stuart Ainslie, SWIA Accountant
Jim Stevendale, SWIA Finance Manager
Anne Travers, Minutes

Apologies: Pearl Marshall, Internal Audit
David Cumming, Depute Chief Inspector

1. Minutes of the meeting held on 27 May 2009
 - 1.1 The minutes of the previous meeting held on 27 May 2009 were accepted as factually correct.
2. Matters arising
 - 2.1 There were no matters arising.
3. Accountable Officer's report and progress on audit recommendations
 - 3.1 Sandra Nutley asked for clarification of the term 'Fraser figure' (the Accountable Officer's report had confirmed that Leslie Evans, newly appointed Director General Education, would be SWIA's Fraser figure). David Wiseman advised that he had researched the definition on the internet and it was - 'Based upon the recommendations of the 1991 Fraser Report, an individual, called the Fraser Figure, coordinates department-agency activities and arbitrates disputes'. Hamish Hamill confirmed it was usual for Agencies to have a named senior official in their sponsor department as their Fraser figure. The essential elements of the relationship were covered in sections 2 and 4.8 of SWIA's framework document.
 - 3.2 The committee noted the Chief Executive's report.
4. External Audit Report
 - 4.1 Lorna Meahan updated the Committee on the recent loss of audit files relating to the 2008/09 audit of SWIA. The incident had been investigated and corrective action had been taken but the files had not been recovered. Lorna

reiterated her apologies for the loss. Alexis Jay confirmed that she was content that action had been taken.

4.2 Andy Anderson presented Audit Scotland's report on SWIA's 2008/09 audit. The findings of the report had been agreed with SWIA. There was only one issue arising from the audit which was the lack of formal, annual procedures for disclosure of Related Parties Transactions. SWIA had introduced a procedure for the year end that would be adopted as standard for 2009-10. Andy highlighted a number of issues for SWIA in the near future including the Public Services Reform Bill, the work towards the new scrutiny body and the introduction of International Financial Reporting Standards (IFRS). Progress was very positive and the risk assessment was well set out.

4.3 The committee noted the report and that it would be made public on the Audit Scotland website.

5. SWIA Audit Committee Annual Report

5.1 The committee noted and agreed the SWIA Audit Committee Annual Report 2008/09. The report would be produced earlier in future to better inform the Accountable Officer's assurance on internal control.

6. Risk register/risk management

6.1 The Committee reviewed the updated risk register. SWIA's biggest risk currently was from factors related to the uncertainty caused by the scrutiny restructure exercise with risks and mitigating actions identified throughout the register. The Committee suggested that, if possible, these risks and mitigating actions should be shown together to provide more focus. Data security issues had been improved with the issue of encrypted laptops and memory sticks.

6.2 The committee noted the current version of the register.

7. AOB

There was no other business.

8. Audit Committee Members session

The committee members had a short private discussion at the conclusion of the meeting. There were no action points arising.

9. Date of next meeting – 18 November 2009, 2 pm, Forth Room, Ladywell House.