

# MINUTE Meeting date: Tuesday 23 January 2018

## IN ATTENDANCE

- Mike McCormick (Chair)
- Tricia Stewart
- Lorna Johnston, Executive Director & Accountable Officer
- Elaine McLean, Business Manager
- Elaine Barrowman, Audit Scotland (Items 1-4)
- Aimee MacDonald, Audit Scotland

ITEM	CONTENT	ACTION
<b>STANDING ITEMS</b>		
1.	<p><b>WELCOME, APOLOGIES and DECLARATIONS OF INTEREST</b></p> <p>Mr McCormick welcomed all attendees. An apology for absence was received from Andrew Munro, Head of Internal Audit, Scottish Parliament.</p> <p>No declarations of interest were made.</p>	
2.	<p><b>DRAFT MINUTE OF PREVIOUS MEETING</b></p> <p>The draft Minute from the meeting on 24 July 2017 was approved.</p>	
3.	<p><b>MATTERS ARISING</b></p> <p>The Committee noted all matters arising from the meeting on 24 July 2017 had been completed.</p>	
<b>EXTERNAL AUDIT: STANDARDS COMMISSION - ANNUAL AUDIT PLAN AND FEE 2017/18</b>		
4.	<p>Mrs Barrowman introduced the draft Annual Audit Plan 2017/18 and outlined the main risk areas that Audit Scotland had identified as ones that should be covered by the audit. These included a generic risk that management could override controls to change the position disclosed in the financial statement, and also a wider dimension risk concerning the Standards Commission being able to demonstrate it was working towards compliance with the General Data Protection Regulations (GDPR) due to come into force on 25 May 2018 and also with the Scottish Government's Cyber Resilience Unit's guidelines on best practice. Mrs Barrowman also outlined the proposed timetable for the audit and fee and explained that Audit Scotland intended to apply the small body provisions stated within the Code of Audit Practice to the 2017/18 audit of the Standards Commission.</p> <p>The Committee confirmed it was content with the proposed approach, timetable and fee. It noted the assurance provided by the Executive Team that the proposed timetable for submission of the Annual Accounts could be achieved within the timescales identified.</p> <p>The Committee agreed the Chair should recommend the Audit Plan, including the timetable and fee, to the Standard Commission at its meeting on 29 January 2018.</p>	
<b>INTERNAL AUDIT PAYROLL PROCESS REPORT 2017/18 AND PLANNED ACTIVITIES 2018/19</b>		
5.	<b>Review of Payroll</b>	

	<p>The Committee reviewed the Internal Auditor's Report on his review of the Standards Commission's payroll arrangements. The Committee indicated it was pleased to note that the Internal Auditor had offered a strong level of assurance in respect of the systems, controls and processes in place.</p> <p>The Committee noted the Internal Auditor had made a recommendation in respect of the arrangements for reviewing the Executive Director's expense claims. The Committee noted the Executive Team had amended its processes in light of the recommendation and that the Executive Director expense claims were now sent to the Convener to review and counter-sign. The Committee agreed that Mr McCormick could undertake this task if the Convener was unavailable.</p> <p><b>Internal Audit 2018/19</b> The Committee noted the proposal from the Internal Auditor to review the Standards Commission's preparedness for the implementation of the GDPR as part of the 2017/18 internal audit. The Committee welcomed this proposal and agreed that such a review would complement the Standards Commission's work to mitigate the risk of it not being in a position to comply with the GDPR provisions.</p>	
<b>RISK REGISTER 2017/18: REVIEW</b>		
6.	<p>The Committee conducted a review of the 2017/18 Business Risk Register and noted changes agreed at the meeting on 24 July 2017 had been actioned and recorded.</p> <p>The Committee agreed that a control should be added to risk 5 to reflect the fact that decisions at Hearings were taken by majority by a Panel of three Members. This reduced the risk that a decision which was not capable of sustaining challenge could be made. The Committee noted that the Scottish Parliamentary Corporate Body (SPCB) had advised that the timetable for the recruitment of a new Member had been delayed. It agreed that this could have an impact on risk 7, being the ability of the Standards Commission to deliver its business effectively due to it having insufficient Members to meet the quorum required for Hearings. The Committee agreed that the Executive Director should raise this concern with the SPCB and ask them to take all steps they could to expedite the recruitment exercise.</p> <p>The Committee noted that the Executive Team intended to draft the 2018/19 Business Risk Register using a similar format and would present this for consideration and approval at the Standards Commission's February meeting. The Committee agreed that it would be helpful to include a risk in the 2018/19 Business Risk Register concerning a potential failure on the part of the Standards Commission to take advantage of the current public debate in relation to standards of behaviour in public life (for example in relation to inappropriate sexual behaviour and misogyny) to seek to influence direction towards higher ethical standards of conduct. The Committee agreed that it would be useful to keep a record of the number of Respondents who did not attend and / or were not represented at Hearings (and of these the number who still held office), in order to develop controls to help mitigate against any risk concerning a lack of engagement in the process. The Committee further agreed that a risk concerning compliance with GDPR, cybersecurity and the British Sign Language (Scotland) Act 2015 should also be included.</p>	<b>Executive Director</b>
<b>NEXT MEETING</b>		
7.	<p>The Audit and Risk Committee is scheduled to meet on 21 May 2018. Mrs Stewart agreed to note the date in her diary so that she could attend if the new Standards Commission Member had not yet been appointed or was unable to make a meeting on that date.</p>	