

MINUTE

Meeting date: **Wednesday 20 January 2021**

IN ATTENDANCE ONLINE

- Mike McCormick (Chair)
- Paul Walker
- Lorna Johnston, Executive Director & Accountable Officer
- Elaine McLean, Business Manager
- Claire Gardiner, Senior Audit Manager, Audit Scotland
- Andrew Munro, Head of Audit, Scottish Parliament (Agenda items 1-5, 7)

ITEM	CONTENT	ACTION
STANDING ITEMS		
1.	<p>WELCOME, APOLOGIES and DECLARATIONS OF INTEREST</p> <p>Mr McCormick welcomed all attendees. There were no apologies for absence.</p> <p>No declarations of interest were made.</p>	
2.	<p>DRAFT MINUTE OF PREVIOUS MEETING</p> <p>The draft minutes of the meeting on 21 July 2020 were approved.</p>	
3.	<p>MATTERS ARISING</p> <p>The Committee noted the only outstanding matter concerned the provision of payroll services, was to be discussed under item 7.</p>	
EXTERNAL AUDIT: STANDARDS COMMISSION - ANNUAL AUDIT PLAN AND FEE 2020/21		
4.	<p>The Committee noted and agreed the proposed annual audit fee.</p> <p>Mrs Gardiner explained that the ongoing coronavirus pandemic had meant that some 2019/20 audits had been delayed. This had led, as a result, to delays in planning for the 2020/21 audits. Mrs Gardiner advised that the audit time line had, therefore, been amended and that audit plans would now be issued in March 2021. The deadline for the plans being signed-off was 31 March 2021. Mrs Gardiner further advised that the deadline for the approval of accounts had been extended from the end of September to the end of October 2021. The accounts would still require to be laid before Parliament before the end of the year, but the laying process itself would be condensed, in light of the changes to the normal timetable.</p> <p>Mrs Gardiner advised that the pressures on workloads and staff caused by the ongoing pandemic meant that Audit Scotland would be taking a flexible and pragmatic approach in working with all clients to completing the audit process.</p> <p>The Committee thanked Mrs Gardiner for the update and advised that it looked forward to receiving the annual audit plan in March.</p>	
INTERNAL AUDIT PLANNED ACTIVITIES 2021/22		
5.	<p>Internal Audit Plan 2021/21</p> <p>The Internal Auditor noted that the Business Manager had suggested that he could focus on the Standards Commission's approach to, and how it conducted, equalities impact assessments in the internal audit. The Committee advised, however, that it considered</p>	

	<p>the Standards Commission could gain more benefit from an audit of how it had responded to the coronavirus pandemic and, in particular, the impact on its overall efficiency, control environment and governance arrangements.</p> <p>All present agreed that, at the meeting due to be held on 25 January 2021, the Chair should ask the Standards Commission for a steer on what it would like to see audited. It was agreed that this would be reported back to the Internal Auditor, who would the prepare a scoping document. This would be circulated to the Committee by email for its approval before the next meeting.</p>	<p>Mr McCormick</p>
<p>RISK REGISTER 2020/21: REVIEW</p>		
<p>6.</p>	<p>The Committee conducted a review of the 2020/21 Business Risk Register and, in particular, agreed to recommend to the Standards Commission that:</p> <ul style="list-style-type: none"> • the score for risk 1 remains at a 6. The Committee noted that while the Standards Commission has engaged with the Committee on Standards in Public Life, the difficulties it has experienced in engaging with the Ethical Standards Commissioner (ESC) has meant work it had planned to promote integrity as part of a joint venture could not be progressed. • the probability and overall scores for risks 2 and 6 be reduced in light of activities undertaken, including the issuing of directions to the ESC under sections 10 and 11 of the Ethical Standards in Public Life etc. (Scotland) act 2000 and the successful holding of online Hearings. • the probability and overall scores for risk 3 be increased as contingency funding had been sought to cover the legal costs associated with defending a new appeal (on case LA/R/2257 and 2262). <p>The Committee asked the Executive Team to make the proposed amendments, via track changes, for consideration by the Standards Commission at its meeting on 27 January 2021.</p>	<p>Executive Team</p>
<p>ANY OTHER BUSINESS</p>		
<p>7.</p>	<p>Payroll Services</p> <p>The Committee noted that work to put in place a new payroll processing service before the current contract is terminated on 30 September 2021 is progressing. The Committee noted that negotiations for a contract to provide a payroll processing service were being undertaken with three other organisations who fall within the SPCB's remit. A supplier had been identified and it was anticipated that the contract would be a direct one, as opposed to the current position where it is managed by a third party. The new contract would include the provision of an online service (as opposed to the current paper-based system). Members noted that the indicative costs of the service were £4.91 per person (inclusive of VAT), which is less than the existing service (£7.06 inclusive of VAT).</p> <p>Members noted that, if accepted, the new contract would be for an initial period of two years with the opportunity to extend for a further two years. Members noted that this provided break opportunities in the contract, which would allow the provision of this service to be transferred to the Scottish Parliament's payroll processing appointed contractor, if appropriate, when the Parliament's contract was due for tender /renewal. Mr Munro confirmed that he would provide the Standards Commission with advance notice of the end of the Parliament's existing contract so that the possibility of a shared service agreement could be explored at that stage</p>	
<p>NEXT MEETING</p>		
<p>8.</p>	<p>The Committee noted that it was next scheduled to meet on 17 May 2021.</p>	