

MINUTE Meeting date: Tuesday 24 January 2023

IN ATTENDANCE ONLINE

- Mike McCormick (Chair)
- Suzanne Vestri
- Lorna Johnston, Executive Director & Accountable Officer
- Sarah Nicholson, Office Manager
- Gillian McCreddie, Audit Manager, Audit Scotland
- Andy Munro, Head of Internal Audit, Scottish Parliamentary Corporate Body (SPCB)

ITEM	CONTENT	ACTION
STANDING ITEMS		
1.	<p>WELCOME, APOLOGIES and DECLARATIONS OF INTEREST</p> <p>Following introductions, Mr McCormick welcomed all attendees.</p> <p>Apologies for absence were received from Liz Maconachie, Senior Audit Manager, Audit Scotland.</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 19 July 2022 were approved.</p>	
3.	<p>MATTERS ARISING</p> <p>The Committee noted that all matters arising had been completed.</p>	
BUSINESS ITEMS		
4.	<p>RISK REGISTER 2022/23</p> <p>The Committee reviewed the contents of the Risk Register and agreed to recommend to the Standards Commission that:</p> <ul style="list-style-type: none"> • The probability score for risk two be reduced to a 1 (with the overall score decreasing to 2) given that Acting Ethical Standards Commissioner (ESC) confirmed in July 2022 that cases would not be re-opened and a 'lessons learned' review would not be instructed (given improvement work already undertaken and planned and given need to prioritise ongoing work and current cases). In addition, regular discussions have been held with Officeholder Services about budget and governance arrangements and these have not resulted in any significant increase in workload. • The probability score for risk five be reduced to a 2 (with the overall score decreasing to 4) given the work undertaken to produce new, and improve existing, educational material and also given the improvements made to the Section 16 decision-making process. • The overall score for risk six remains at 8 (and amber) given the recruitment process for two new members is ongoing and their start dates, experience and availability is, as yet, unknown. • The probability score for risk seven be reduced to a 2 (with the overall score decreasing to 8) given the settlement agreement in respect of the judicial expenses for the Court of Session appeal and given the SPCB agreed contingency funding to cover the full sum. It is 	

	<p>not recommended that the score be reduced further until there is certainty over how many more Hearings will be held in the year and the location / duration of these.</p> <ul style="list-style-type: none"> The overall score for risk eight remains at 9 (and amber) given the Acting ESC has confirmed it is unlikely that the backlog at admissibility and investigation will be cleared by the year end. <p>The Committee noted that the proposed amendments would be put to the Standards Commission to consider at its meeting on 31 January 2023.</p> <p>The Committee agreed that the Chair should also ask the Standards Commission to consider whether to remove risk four, being that the Appeal to Court of Session in respect of sanction decision on case LA/R/2257 & 3262 is successful. This was on the basis that while the appeal had been successful, the Standards Commission had obtained contingency funding to pay the Appellant's expenses. These had now been paid and a change had been made to the decision template to ensure that Article 10 of the European Convention on Human Rights was considered fully as part of any decision-making on sanction. In addition, there had not been any adverse press coverage or any evidence of reputational damage as a result of the decision.</p>	<p>Chair</p> <p>Chair</p>
<p>5.</p>	<p>ANNUAL ACCOUNTS 2022/23 – EXTERNAL AUDIT Annual Audit Plan and Audit Fee</p> <p>The Committee noted and agreed the proposed annual audit fee, which had increased at a rate significantly above inflation.</p> <p>The Internal Auditor explained to the Committee that the above normal inflationary rise in the fee was due to the audit profession continuing to experience considerable scrutiny and increasing requirements and expectations.</p> <p>Ms McCreadie advised that an ongoing backlog resulting from the coronavirus pandemic meant that some 2021/22 audits were still to be completed. Ms McCreadie explained that this, in turn, had led to delays in planning for the 2022/23 audits. Ms McCreadie advised that the audit timeline had, therefore, been amended and that audit plan would be issued shortly. The Committee noted that it was not anticipated that this would lead to any delay in the signing-off of the Standards Commission's annual accounts. The Committee asked the Executive Team to forward the audit plan on receipt.</p>	<p>Executive Team</p>
<p>6.</p>	<p>INTERNAL AUDIT SERVICES Internal Audit Plan 2022/23</p> <p>The Internal Auditor advised that, following discussions with the Executive Director and Office Manager and in light of a new team at Audit Scotland being appointed to conduct the external audit, he proposed the focus of the internal audit should be on the Standards Commission's general finance control environment. This would include a review of the processes for the payment of invoices, financial reporting, the use of corporate credit cards and procurement, as well as the effectiveness of the Scheme of Delegation.</p> <p>The Committee agreed with the proposal and noted that the audit would not only ensure the Standards Commission was prepared to respond to any requests for assurance, but would also ensure it identified any improvements that could be made to ensure best practice was achieved.</p> <p>The Internal Auditor advised that, following confirmation that the Standards Commission agreed with the proposal, he would prepare a scoping document for approval.</p> <p>The Committee suggested that as two Standards Commission Members were shortly due to demit office and replacements would start in post in 2023/24, the focus of the internal audit for the following year (2023/24) could be on the process for the training and induction of Members.</p>	<p>Mr Munro</p>
<p>ANY OTHER BUSINESS</p>		

7.	<p>NEW COMMITTEE MEMBER AND CHAIR</p> <p>The Committee noted that the Scottish Parliamentary Corporate Body had undertaken interviews on 23 January 2023 for the appointment of two new Standards Commission Members to replace Mr McCormick and Mrs Stewart, whose tenures were ending on 31 January and 31 March 2023 respectively.</p> <p>The Committee noted that it was Mr McCormick’s last meeting. Ms Vestri, Mr Munro and the Executive Team thanked Mr McCormick for his hard work as Chair of the Committee and for his support, assistance and professionalism during his tenure. The Committee noted that the Standards Commission would appoint a new member and Chair before its next meeting.</p> <p>Mr McCormick thanked the Standards Commission officers for their support and assistance to him in his duties as Committee Chair and also thanked Mr Munro for his contribution through Internal Audit. Mr McCormick wished the committee well in its future work.</p>	
8.	<p>2022/23 BUDGET FORECAST EXERCISE AND 2023/24 BUDGET BID</p> <p>The Committee noted that a re-forecast exercise of the 2022/23 budget had been carried out at the request of the SPCB and this had identified a small level of potential savings for the year. A request for contingency funding to cover the payment of legal expenses on LA/R/2257 & 3262 was made in November and approved in December.</p> <p>The Committee noted that the initial budget bid for 2023/24 was submitted to the SPCB on 9 September 2022. A number of subsequent revisions had been requested by the SPCB and completed by the Executive Team in light of changes to</p> <ul style="list-style-type: none"> • staff and member pay awards; • the rate of employer national insurance contributions (following changes taking effect from 6 November 2022); and • adjustments made to the assumed rate of inflation on costs. <p>The Committee noted that it was anticipated that the 2023/24 budget will be confirmed by the SPCB in February 2023</p>	
NEXT MEETING		
9.	The Committee noted that it was next scheduled to meet on Tuesday, 23 May 2023.	