

# MINUTE Meeting date: Tuesday 23 May 2023

## IN ATTENDANCE ONLINE

- Suzanne Vestri (Chair)
- Anne-Marie O'Hara
- Lorna Johnston, Executive Director & Accountable Officer
- Sarah Nicholson, Office Manager
- Gillian McCreddie, Audit Manager, Audit Scotland
- Liz Maconachie, Senior Audit manager, Audit Scotland
- Andy Munro, Head of Internal Audit, Scottish Parliamentary Corporate Body (SPCB)

ITEM	CONTENT	ACTION
<b>STANDING ITEMS</b>		
1.	<p><b>WELCOME, APOLOGIES and DECLARATIONS OF INTEREST</b></p> <p>Ms Vestri welcomed all attendees. In particular, Ms Vestri welcomed Ms O'Hara to her first meeting of the Committee.</p> <p>No declarations of interest were made.</p>	
2.	<p><b>DRAFT MINUTE OF PREVIOUS MEETING</b></p> <p>The draft minutes of the meeting on 24 January 2023 were approved.</p>	
3.	<p><b>MATTERS ARISING</b></p> <p>The Committee noted that all matters arising had been completed or were due to be discussed at the meeting as one of the items below.</p>	
<b>BUSINESS ITEMS</b>		
4.	<p><b>RISK REGISTER 2023/24</b></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"> <li>• The probability score for risk <b>three</b> be reduced from a 3 to a 2, with the overall score decreasing from 12 to 8, in light of the new Members having been inducted and having received training on various case and governance related matters.</li> <li>• The probability score for risk <b>five</b> be reduced from a 4 to a 3, with the overall score decreasing to 12. This was because the new Members had been inducted successfully with Members' availability / capacity increasing accordingly. It is not recommended that the risk score be decreased any further, however, as more case referrals are expected as a result of the Ethical Standards Commissioner continuing to clear a backlog and, as such, staff capacity remains an issue.</li> <li>• The overall score for risk <b>six</b> remains at 9, in light of the advice from Officeholder Services that the Standards Commission should meet the difference (expected to be approximately £9,200) between the projected and likely actual staff costs (arising as a result of a higher than expected pay award) from cost savings.</li> <li>• The probability score for risk <b>nine</b> be reduced from a 3 to a 2, with the overall score decreasing from 12 to 8, in light of the media work undertaken and the focus on ensuring information about cases (including Section 16 and Hearing related decisions) is published timeously.</li> </ul>	

	<p>The Committee noted that the proposed amendments would be put to the Standards Commission to consider at its meeting on 30 May 2023.</p> <p>The Committee agreed that the Chair should also propose that a session on the organisation's appetite for and approach to risk be included in the agenda for discussion by Standards Commission Members at the governance workshop scheduled for August 2023.</p>	<b>Chair</b>
<b>5.</b>	<p><b>DRAFT ANNUAL ACCOUNTS 2022/23</b></p> <p>The Committee noted that the financial information to be included in the Annual Accounts has now been received from Scottish Parliament's Finance Office and a revised version of the Annual Accounts would be circulated to the Committee later this week.</p> <p>The Committee reviewed the draft Annual Accounts prepared by the Executive Team.</p> <p>The Committee agreed a few minor changes to be made to the wording of the commentary on the accounts. These included an update to the key risks for 2023/24 (to include the potential impact of the Ethical Standards Commissioner clearing the investigations backlog), and further content to be included in the section on sustainability and environmental impact.</p> <p>It was noted that the final draft of the Annual Accounts would be being considered at the Audit &amp; Risk Committee at its meeting on 25 July 2023 and would be presented thereafter to the Standards Commission for approval at its meeting on 25 July 2023.</p>	<b>Executive Team</b>
<b>6.</b>	<p><b>INTERNAL AUDIT PLAN 2022/23</b></p> <p>The Internal Auditor advised that the work on reviewing the general financial control environment had recently been completed and that his draft report will be shared with the Executive Team in coming weeks.</p> <p>The Committee agreed that the final report should be shared with Committee members in advance of the next meeting on 25 July 2023.</p> <p>The Internal Auditor confirmed that the focus of the internal audit work for 2023/24 will be on the process for the training and induction of new Members. Timings for this work were to be confirmed, with the Internal Auditor planning to provide the Committee with a draft report in January 2024.</p>	<b>Mr Munro</b>
<b>7.</b>	<p><b>COMMITTEE TERMS OF REFERENCE AND PERFORMANCE</b></p> <p>The Committee reviewed the Audit &amp; Risk Committee's Terms of Reference. The Committee agreed the Chair should recommend that the Terms of Reference be adopted by the Standards Commission at its meeting on 30 May 2023.</p> <p>The Committee noted the performance report detailing its activities during 2022/23, which included:</p> <ul style="list-style-type: none"> <li>• Reviewing the draft Annual Accounts for approval by the Standards Commission;</li> <li>• Reviewing the Risk Register and identifying and reviewing actions to be taken to mitigate risks;</li> <li>• Recommending changes to the Risk Register and the individual risk scores in light of developments and actions taken;</li> <li>• Suggesting risks and mitigating actions to be included in the Risk Register for 2023/24;</li> <li>• Reviewing and recommending the external audit plan (including the timetable and fee);</li> <li>• Reviewing internal and external audit reports and any management responses; and</li> <li>• Reviewing the budget reforecast exercise for 2022/23 and the budget bid for 2023/24.</li> </ul> <p>The Committee agreed that the Chair should advise the Standards Commission of this performance report at and should also confirm that she was confident that the Committee had discharged its duties effectively in 2022/23, in accordance with the Terms of Reference.</p>	<b>Chair</b>

<b>ANY OTHER BUSINESS</b>		
<b>8.</b>	None.	
<b>NEXT MEETING</b>		
<b>9.</b>	The Committee noted that it was next scheduled to meet on Tuesday, 25 July 2023.	