

MINUTE Meeting date: Tuesday 23 July 2024

IN ATTENDANCE ONLINE

- Helen Donaldson (Chair)
- Lezley Stewart
- Lorna Johnston, Executive Director & Accountable Officer
- Sarah Nicholson, Office Manager
- Gillian McCreadie, Audit Manager, Audit Scotland
- Liz Maconachie, Senior Audit Manager, Audit Scotland
- Andy Munro, Head of Internal Audit, Scottish Parliamentary Corporate Body (SPCB) (item 6 only)

ITEM	CONTENT	ACTION
STANDING ITEMS		
1.	<p>WELCOME, APOLOGIES and DECLARATIONS OF INTEREST</p> <p>Ms Donaldson welcomed all attendees.</p> <p>No apologies were recorded and no declarations of interest were made.</p>	
2.	<p>DRAFT MINUTE OF PREVIOUS MEETING</p> <p>The draft minutes of the meeting on 22 May 2024 were approved.</p>	
3.	<p>MATTERS ARISING</p> <p>The Committee noted all matters arising from their last meeting were either complete or due to be discussed as part of the agenda.</p>	
BUSINESS ITEMS		
4.	<p>RISK REGISTER 2024/25 QUARTER 2 REVIEW</p> <p>The Committee reviewed the contents of the Risk Register for 2024/25 and agreed to recommend to the Standards Commission that:</p> <ul style="list-style-type: none"> • The probability score for risk five (“Decision-Making”) be reduced from a 3 to a 2, with the overall score decreasing from 12 to 8, now both new Standards Commission Members had been inducted successfully. • The probability score for risk seven (“Budget”) be reduced from a 3 to a 2, with the overall score decreasing from 12 to 8. This was because all legal fees incurred for an appeal on a decision made in 2023/24 on case LA/AC/3812 had been paid and the appeal dismissed on a ‘no expenses due to or by’ basis. In addition, the pay award for staff and Members was now known and was less than projected in the budget bid. <p>The Committee noted that the Risk Register would be updated after the Standards Committee meeting on 30 July 2024 to reflect any decisions made.</p>	<p>Chair</p> <p>Executive Team</p>
5.	<p>ANNUAL ACCOUNTS 2023/24</p> <p>a) Review Draft Annual Accounts 2023/24</p> <p>The Committee reviewed the draft Annual Accounts for 2023/24 and agreed they should be submitted for final review and approval by the Standards Commission at its meeting on 30 July 2024.</p> <p>b) External Audit formalisation: Independent Auditor’s Report Management Letter</p>	Executive Team

	<p>Mrs Maconachie introduced the external auditor’s report on the Standards Commission’s Annual Report and Accounts 2023/24. Mrs Maconachie advised that Audit Scotland was satisfied that the annual accounts had been properly prepared in accordance with applicable legislation and that the financial statements gave a fair and true view of the Standards Commission’s affairs and net expenditure.</p> <p>In light of the external report, the Committee agreed the terms of the draft ISA 580 management response letter. The Committee noted that the Executive Director was not aware of any instances involving fraud or subsequent events that had occurred since 31 March 2024, that would require to be brought to the attention of the independent auditors. The Committee agreed, therefore, that it was content for the letter to be submitted to the Standards Commission for approval at its meeting on 30 July 2024.</p> <p>c) Draft Audit Report 2024/25</p> <p>Mrs Maconachie introduced the proposed annual external audit report. She advised that the auditors had applied the provisions relating to small bodies under the Code of Audit Practice 2016. Mrs Maconachie confirmed that the independent audit had concluded that the Standards Commission had adequate short, medium and long-term financial planning and governance arrangements and plans in place. Mrs Maconachie further confirmed that she was satisfied that the disclosures in the Governance Statement were consistent with the financial statements and the statement had been prepared in accordance with the relevant statutory guidance.</p> <p>The Chair and Executive Director both thanked Mrs Maconachie and Mrs McCreddie for their attendance at the meeting and for their support with this year’s audit.</p>	
<p>6.</p>	<p>INTERNAL AUDIT SERVICES</p> <p>a) Annual Internal Audit Assurance Report</p> <p>Mr Munro introduced the draft Internal Audit Assurance Report, which provided the Accountable Officer and Committee with an assurance on the adequacy and effectiveness of the systems of internal control in operation during 2023/24. Mr Munro reported that he was satisfied that he could offer a satisfactory level of assurance that arrangements, systems, processes, and internal controls were robust and were operating effectively, thereby ensuring risk is maintained at an acceptable level. As such, Mr Munro was able to advise the independent auditors that they could take substantial assurance from the areas reviewed as evidence in support of the Accountable Officer’s Governance Statement in the Annual Report and Accounts 2023/24.</p> <p>b) Review of Member Induction and Training</p> <p>Mr Munro advised that, in accordance with the Standards Commission’s Internal Audit Plan for 2023/24, a review of the training and induction process for new members had been performed. The review aimed to provide assurance to the Executive Director (as the Principal Accountable Officer) and the Standards Commission, via the Audit and Risk Committee, that arrangements, systems, processes and internal controls are robust and are operating effectively, thereby ensuring risk is maintained at an acceptable level.</p> <p>Mr Munro reported that, based on the audit work performed, he was satisfied there was sufficient audit evidence in place to confirm that the Standards Commission had appropriate and satisfactory arrangements in place in relation to the training and induction process for new members, which included an induction plan and pack. All key aspects that would be expected to be included within the process were in place with no significant gaps identified. The arrangements are augmented by the scheduled meetings between new members and the staff, the Convener, and the Chair of the Audit and Risk Committee.</p> <p>Mr Munro noted that a few minor suggestions had been made, including that the Standards Commission should endeavour to do some of the induction meetings in person and should record the dates when training had been delivered. The Committee noted that the Executive</p>	

	Team had accepted these suggestions and intended to update the induction plan accordingly, before the next new appointment was made.	Executive Team
7.	UPDATE ON PAYROLL SYSTEM The Committee noted that the new payroll contract with CGI had been signed by the Executive Director on 20 June 2024.	
ANY OTHER BUSINESS		
8.	None.	
NEXT MEETING		
9.	The Committee noted that it was next scheduled to meet online in January 2025. The Committee agreed the date of the meeting would be 21 January 2025.	