



The Scottish Parliament
Pàrlamaid na h-Alba

Minute of the Advisory Audit Board (AAB) meeting held Wednesday 22 March 2023 at 12.30pm

Present:

- Andy Shaw, Chair
- Claire Baker MSP
- Jackson Carlaw MSP
- Claire Robertson
- David Watt

In attendance:

- David McGill, Clerk/Chief Executive
- Michelle Hegarty, Deputy Chief Executive
- Sara Glass, Group Head - Financial Governance
- Lis Craig, Financial Controller
- Carole Grant, Audit Scotland
- Liz Maconachie, Audit Scotland
- Gillian McCreadie, Audit Scotland
- Tommy Lynch, Head of Resilience
- Andy Munro, Head of Internal Audit
- Lisa Creamer, Secretariat
- Lynsey Hamill, Group Head of Resilience and Sustainability (Item 7 only)

Item 1: Declarations of Interests

- 1.1 Andy Munro declared an interest as the interim Accountable Officer of the Scottish Human Rights Commission by way of a part-time secondment. The Chair and other independent members also declared their appointments as independent chairs and members of other Parliament supported bodies.

Item 2: Minutes of Meeting from 27 September 2022

- 2.1 AAB members approved the minute as drafted.

Item 3: Matter Arising

- 3.1 Audit Scotland advised that despite ongoing challenges around audit completion post-pandemic, the audit plan for the SPCB's annual report and accounts remains on track for completion and reporting to the AAB in September 2023.
- 3.2 Lis Craig, Financial Controller and Andy Munro, Head of Internal Audit advised they would develop a refreshed Fraud and Whistleblowing Policy for Leadership Team's consideration and approval in the coming months. This will be presented to the AAB for review and comment thereafter.

Item 4: Risk Management Update

AAB(MAR23)01 – Risk Management Update

- 4.1 Tommy Lynch, Head of Resilience, provided an update on the proposed future approach to risk management. The risks identified will be used to inform discussion on the Interim Strategy Review with Leadership Team at their meeting in April 2023.
- 4.2 AAB members noted the update.

Item 5: Audit Scotland

AAB(MAR23)02 – 2022/23 Audit Plan

- 5.1 Carole Grant, Audit Scotland, introduced the audit plan explaining that materiality levels are consistent with prior year.
- 5.2 Ms Grant drew particular attention to the planned work on the SPCB's arrangements for cyber security and climate change reporting which forms part of the wider scope section of the audit plan.
- 5.3 AAB members noted the plan.

Item 6: Finance Office

AAB(MAR23)03 – National Fraud Initiative Update

- 6.1 Lis Craig explained that while initial downloads of financial transactions have identified a higher number of matches than in prior years, these are due to the implementation of new systems since the previous NFI exercise and do not indicate an increasing risk of fraud or error. A sample-based approach to the detailed testing of data matches will be applied. The outcome of testing will be presented to the AAB when available.
- 6.2 AAB members noted the update.

Item 7: Internal Audit

AAB(MAR23)04 – 2022/23 Progress Report

- 7.1 Andy Munro introduced the report advising of delays to planned internal audit work given his extended secondment to the Scottish Human Rights Commission. He further advised that, with the support of the Clerk/Chief Executive and Deputy Chief Executive, certain planned internal audit reviews would be carried over to the 2023/24 Internal Audit Plan.

7.2 AAB members noted the update.

AAB(MAR23)05 – Review of OSSP Staffing Model Transformation

7.3 Andy Munro presented the report which summarised the benefits of the transformation project and the evidence that supports the reported successful outcomes.

7.4 AAB members noted the update.

AAB(MAR23)06 – Review of Environment and Sustainability Reporting

7.5 Andy Munro advised that the audit work performed had highlighted a number of errors and inconsistencies in the SPCB's published Environment and Sustainability Report.

7.6 Lynsey Hamill, Group Head of Resilience and Sustainability joined the meeting and advised that there are no underlying issues with the core data collected and the errors identified by the audit arose from drafting errors. While the errors were not material to the overall position reported, independent reviews of data will be performed prior to the publication of annual reports reducing the risk of reoccurrence. A corrected annual report will be published in early course.

7.7 AAB members noted the update.

AAB(MAR23)07 - Review of Broadcasting System Integration & Equipment

Project: Procurement Strategy

7.8 Andy Munro advised that while some issues were identified by the review, the project remains on track and each matter highlighted has been addressed. A further review of the project was planned prior to framework agreements being awarded.

7.9 AAB members noted the update.

AAB(MAR23)08 - Follow Up of Previously Agreed Audit Recommendations

7.10 This item was taken as read and AAB members noted the update.

Item 8: AAB: Future Agenda Planner and AOCB

AAB(MAR23)09 - Future Agenda Planner

8.1 The AAB noted the future agenda planner.

Item 9: Time and date of next meeting

9.1 The next meeting will be held on Wednesday 21 June 2023.