



The Scottish Parliament
Pàrlamaid na h-Alba

Minute of the Advisory Audit Board (AAB) meeting held Tuesday 27 September 2022 at 3pm

Present:

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

In attendance:

- David McGill, Clerk/Chief Executive
- Michelle Hegarty, Deputy Chief Executive
- Sara Glass, Group Head - Financial Governance
- Lis Craig, Financial Controller
- Claire Gardiner, Audit Scotland
- Mark Taylor, Audit Scotland
- Andy Munro, Head of Internal Audit
- Lisa Creamer, Secretariat

Apologies:

- David Watt

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.

Item 2: Minutes of Meeting from 15 June 2022

- 2.1 AAB members approved the minute as drafted.

Item 3: Matter Arising

- 3.1 Andy Munro advised that the plans to finalise the annual reports and accounts for Parliamentary funded officeholders, prior to the signing of the SPCB's annual report and accounts, has been deferred given the continuing pressures on all bodies and external audit teams.
- 3.2 Andy Munro advised that the planned review of the SPCB's Fraud and Whistleblowing Policy will take place later in 2022/23 following his return from secondment.

Item 4: Finance Office: SPCB Annual Report and Accounts 2021/22

AAB(SEP22)01 - SPCB Annual Report and Accounts 2021/22

- 4.1 Lis Craig introduced the report and highlighted the main changes to the draft already provided to AAB Members for comment and feedback.
- 4.2 The AAB endorsed the Annual Report and Accounts and recommended these to the SPCB and David McGill and the Chief Executive/Clerk, as the SPCB's Principal Accountable Officer.

Item 5: Audit Scotland

AAB(SEP22)02 - ISA 580: Letter of Representation

- 5.1 Mark Taylor introduced the letter explaining its purpose and the requirement for this to be signed by the Principal Accountable Officer in accordance with auditing standards.

AAB(SEP22)03 - Draft 2021/22 Annual Audit Report

- 5.3 Mark Taylor introduced the report, and confirmed the positive outcomes as set out in the key messages section of the report. Mr Taylor confirmed that he expected an unmodified audit report to be provided and thanked Lis Craig and the Finance Office staff for their support throughout the year and during his term as Director with lead responsibility for the SPCB audit.

Item 6: Internal Audit

AAB(SEP22)04 - Review of the Reimbursement of Members' Expenses 2021/22

- 6.1 Andy Munro introduced the report and confirmed that the report concluded with satisfactory assurance opinion with some areas for management attention and action identified in respect of: ensuring separation of duties for system administrator; an isolated error in respect of taxable and non-taxable reimbursement; and the development of a policy for prepaying certain expenses.

- 6.2 The AAB approved the report.

AAB(SEP22)05 – Review of Key Controls

- 6.3 Andy Munro introduced the report and confirmed that the report with substantial assurance audit opinion

- 6.4 The AAB approved the report.

AAB(SEP22)06 - Annual Assurance Report to the Accountable Officer 2021/22

- 6.5 Andy Munro confirmed that the annual assurance report to the Accountable Officer concluded positively and satisfactory assurance can be taken from the areas reviewed and the associated frameworks of governance, risk management and control, subject to the implementation of agreed recommendations.
- 6.6 The AAB welcomed the positive conclusion overall and approved the report.

AAB(SEP22)07 - AAB Annual Report to the SPCB 2021/22

- 6.7 Andy Munro advised that the report offered a summary of the work of the AAB in 2021/22 and would be presented to the SPCB meeting on 29 September.
- 6.8 The AAB approved the report.

Item 7: Strategic Risk Update

AAB(SEP22)08 - Strategic Risk Update

- 7.1 Tommy Lynch, Head of Resilience, provided an update on the Risk Management Policy Development and explained Leadership Group had recently endorsed an objective review of the approach to risk management.
- 7.2 It was further advised that the Resilience Team would provide Leadership Group with support on how it identifies and manages risk and Tommy Lynch would attend future AAB meetings to present progress and seek comments and advice on the evolving approach to risk management.
- 7.3 AAB Members welcomed the update.

Item 8: AAB: Future Agenda Planner and AOCB

AAB(JUN22)07 – Future Agenda Planner

8.1 The AAB agreed the future agenda planner.

Item 9: Time and date of next meeting

9.1 The next meeting will be held on Wednesday 25 January 2023. It is expected that this will take place in person at the Scottish Parliament/Teams.