



The Scottish Parliament
Pàrlamaid na h-Alba

Minute of the Advisory Audit Board (AAB) meeting held Wednesday 9 September 2020 at 12noon

Present:

- Jean Couper CBE, Chair
- Andy Wightman MSP
- Claire Robertson
- Andy Shaw
- David Watt

In attendance:

- David McGill, Clerk/Chief Executive
- Sara Glass, Head of Financial Governance
- Lis Craig, Financial Controller
- Mark Taylor Boyle, Audit Scotland
- Inire Evong, Audit Scotland
- Andy Munro, Head of Internal Audit
- Huw Williams, Secretariat

Apologies:

- Michelle Hegarty, Assistant Chief Executive

Item 1: Pre-meeting between AAB Members, Audit Scotland and SPCB Head of Internal Audit

- 1.1 The Chair confirmed that no pre-meeting was required.

Item 2: Introductions

- 2.1. The Chair welcomed Sara Glass to the meeting.
- 2.2. The AAB also wished to convey its thanks to Ruth Davidson who had now resigned from the AAB and it looked forward for notification of a replacement SPCB Member.

Item 3: Minutes of Meeting

- 3.1 The minutes of the meeting held on Wednesday 18 June 2020 were agreed.

Item 4: Matters Arising

- 4.1 There were no matters arising.

Item 5: Audit Scotland

AAB(SEP20)03 – Draft 2019/20 Annual Audit Report

5.1 Mark Taylor presented Audit Scotland's draft Annual Report on the 2018/19 audit. He noted that the audit had now been completed and any outstanding issues had been resolved. Arrangements would be made for the Auditor General for Scotland to sign off the accounts on 21 September 2020. This would be done electronically.

5.2 Audit Scotland was invited to comment on the property valuations. Mark Taylor confirmed that Audit Scotland was content with the approach that had been taken which was appropriate for the estimates and disclosure. There was always a degree of uncertainty with such valuations but this was not unusual. Lis Craig confirmed that the SPCB would look at how the indices are applied to the net rather than gross figures in future. Audit Scotland was content with this approach.

5.3. It was noted that the work on Brexit had not been concluded but it was confirmed that Audit Scotland would return to this in due course and that there were no additional reporting issues required.

5.4. David Watt invited Audit Scotland to provide guidance in the future regarding pensions in the accounts and the range that was used. Mark Taylor confirmed that Audit Scotland would look to report on this in the future.

5.5. The recommendation in Annex A about registration of interests for the Leadership Group was noted and would be taken forward.

Action: Lis Craig

5.6. The AAB recorded its thanks to Audit Scotland for the high quality of work involved in the audit of the annual report and accounts, particularly noting that the timeframe for completion had been met despite the challenges of remote working.

Item 6: Annual Report and Accounts

AAB(SEPT20)01 – SPCB Annual Audit Report and Accounts 2019/20

6.1. Introducing the Annual Report and Accounts, Lis Craig explained that there had been difficult and unusual challenges this year given remote working.

6.2. Members of the AAB were thanked for the comments they had previously provided on the Annual Report in correspondence and Lis Craig confirmed the suggested changes had been adopted and that the foreword to the Annual Report had been updated.

6.3. Confirmation was provided by Lis Craig that certificates of assurance had been received and that the Accounts were now ready to be signed. The Accounts would then be laid before Parliament before the October recess.

6.4. The Chair thanked Lis Craig and her team for their continuing excellent work on the Annual Report and Accounts.

6.5. The AAB agreed to recommend that the 2019/20 Annual Report and Accounts be presented to the SPCB for formal approval and be signed by the Clerk/Chief Executive (as the SPCB's Principal Accountable Officer) thereafter.

AAB(SEP20)02 – ISA 580: Letter of Representation

6.6. Mark Taylor presented Audit Scotland's letter of representation confirming this is a standard part of the audit process. The letter provided assurance that the Accountable Officer was satisfied with the respective responsibilities of the SPCB and Audit Scotland.

6.7. David Watt asked about material uncertainty and following discussion it was agreed that the reference in paragraph 7b sufficiently covers this and no changes were required.

Item 7: Internal Audit

AAB(SEP20)04 – Review of the Reimbursement of Members’ Expenses

7.1 Andy Munro presented the Review of the Reimbursement of Members’ Expenses, which was performed as part of the 2019/20 Internal Audit Plan.

7.2 The overall scope of the audit was to review and assess the internal control arrangements in place for Members’ expenses consistent with the Scheme for Reimbursement of Members’ Expenses. The work was also provided to Audit Scotland for its reliance on the control environment in place.

7.3 Specific challenges were noted due to the move to electronic claims supported by images of receipts. The Allowances Office was congratulated on their rapid response to remote working and the audit confirmed that internal controls had not been compromised.

7.4 Andy Munro explained that additional time had been spent on analytical review procedures which allowed for targeted sampling. Any isolated issues identified by the analytical review had been included in the sample for detailed testing.

7.5. It was noted that a digital approach to expenses would continue and by the next session an updated scheme of reimbursement would be in place.

7.6. It was agreed, based on the provisions of the scheme, that additional advice might be provided to Members when enhancement work to offices is undertaken when a lease period is coming to an end.

Action: Andy Munro to consider the provision of advice as part of the guidance for the new Scheme in Session 6.

7.7. The AAB noted the report.

AAB(SEP20)05 – Review of Members’ Local Offices

7.8. Andy Munro presented the report on visits to Members’ local offices in 2019/20. The aim was to visit each office once per session.

7.9. The AAB noted that previously identified risks had decreased significantly in recent years in line with changes to the Scheme. Andy Munro confirmed that planning for future visits would be in conjunction with other offices of the parliamentary service.

7.10. The AAB noted the report.

AAB(SEP20)06 – Annual Assurance Report to the Accountable Officer 2019/20

7.11. The report was prepared to assist the Clerk/ Chief Executive (as Principal Accountable Officer) to form an opinion on the effectiveness of the systems of internal control in operation during the financial year prior to signing

the Governance Statement within the SPCB's 2019/20 Annual Report and Accounts.

7.12. The AAB noted the positive conclusions of the report and the formal assurance it provided.

AAB(SEP20)07 – Draft Annual Report to the Scottish Parliamentary Corporate Body

7.13. The AAB agreed the draft report and noted that it would be presented to the SPCB alongside the Annual Report and Accounts for 2019/ 20.

Item 8: Update on COVID-19 Response

8.1 David McGill informed the AAB that, at the outset of the pandemic, a working group had been established to analyse the updates from the Scottish Government and to translate this for the operational requirements of the Parliament.

8.2 A decision was taken early on to close the building to the general public and homeworking became the default with the exception of staff required to support parliamentary business and statutory maintenance in the building.

8.3. Keeping in line with the regulations and guidance, the Parliament has now developed hybrid meetings for both the Chamber and committees with remote voting also in place. There had been issues about confidence in this system, but these had now been addressed.

8.4. In terms of parliamentary business, there has been a gradual approach to bringing more aspects of business back on line such as Members' debates.

8.5. Members could now access the building, but with social distancing measures only one member of their staff could be in at any one time. A range of measures for the safety of building users had been introduced such as screens in some area and one-way systems. Members' local offices had reopened at the end of August.

8.6. Andy Wightman endorsed this feedback from a Members' perspective. He advised that considerable effort had been made to ensure the Parliament held the Government to account and for Members to participate in business.

8.7. The AAB noted all the efforts that had been made and congratulated all involved.

Item 9: Strategic Risk Register update

9.1. Andy Munro introduced this item. Some changes had been made to the issued paper following consideration at a Leadership Group meeting earlier in the week.

9.2. David McGill advised the meeting that there had been a big step change in how the register was used based on experiences of the pandemic and it was agreed this demonstrated how the register could be dynamic.

9.3. In terms of looking ahead, David McGill also advised the meeting that survey had been prepared for Members and a separate one for staff to gauge what had worked well and what should be kept in place going forward.

Item 10: Future Agenda Planner and AOCB

10.1. The AAB agreed to remove the Audit Scotland audit plan paper from the December meeting agenda.

10.2. There would also be a standing item on COVID-19 for future agendas.

Item 11: Time and date of next meeting

11.1. The next meeting will be held at 12:00pm on 16 December 2020.