



The Scottish Parliament
Pàrlamaid na h-Alba

Minute of the Advisory Audit Board (AAB) meeting held Thursday 18 June 2020 at 3.30pm

Present:

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

In attendance:

- David McGill, Clerk/Chief Executive
- Michelle Hegarty, Assistant Chief Executive
- Lis Craig, Financial Controller
- Steve Robb, Financial Accountant
- Mark Taylor, Audit Scotland
- Claire Gardiner, Audit Scotland
- Andy Munro, Head of Internal Audit
- Graeme Donoghue, Secretariat

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

- 1.1 The Chair confirmed no pre-meeting was required.
- 1.2 There were no declarations of interest.

Item 2: Minutes of Meeting

- 2.1 The minutes of the meeting held on Wednesday 18 December 2019 were agreed without amendment.

Item 3: Matters Arising

3.1 There were no matters arising.

3.2 The Chair formally welcomed Ruth Davidson MSP to her first meeting of the AAB.

Item 4: Strategic Update - Covid-19 response

4.1 David McGill and Michelle Hegarty provided the AAB with a briefing on the work undertaken by the SPCB to facilitate parliamentary business and to ensure the wellbeing of Members and staff during the Covid-19 pandemic.

4.2 The AAB praised the SPCB's initial quick response to the pandemic and subsequent actions to support Members, their staff, and SPS staff to fulfil their duties remotely. It noted also that Standing Orders had been changed to allow the Parliament and committees to meet virtually, with technology and procedures developed to facilitate this.

4.4 The AAB welcomed the appointment of an additional Deputy Presiding Officer and temporary Clerks to ensure the continuity parliamentary business. It welcomed also the addition of the Covid-19 response to the Delivery Plan, ensuing robust monitoring and governance.

4.5 The AAB noted the briefing.

Item 5: Finance Office

AAB(JUN20)01 – Outline Annual Report and Accounts 2019/20

5.1 David McGill introduced the Parliament's revised organisational structure, highlighting the new groupings of business areas based around function rather than size.

- **Andy Munro to circulate the revised organisational chart to AAB members.**

5.2 Lis Craig then invited the AAB to comment on the SPCB's 2019/20 Annual Report and Accounts template in advance of the draft accounts being made available to Audit Scotland. It was noted information from GAD for the Members Pension Fund figures, and MyCSP for remuneration and pensions disclosure, was still outstanding but was expected soon.

5.2 The Chair thanked Lis Craig and her team for their continuing excellent work on the Annual Report and Accounts and invited AAB members to individually discuss points of detail with Lis Craig after the meeting.

Item 6: Audit Scotland

6.1 The Chair welcomed Mark Taylor and Claire Gardiner to the AAB.

AAB(JUN20)02 – Audit Scotland: update on the 2019/20 Audit

6.2 Mark Taylor updated the AAB on the progress of the 2019/20 audit, summarising the key issues identified during the interim audit work carried out. It was noted that all key controls are operating satisfactorily and that only one minor issue had been identified.

6.3 Mark Taylor explained that, due to the lockdown, there are some additional challenges in conducting the audit. To mitigate these, Audit Scotland has pledged to work flexibly with SPCB officials to complete the audit.

6.5 The Chair thanked Audit Scotland for its work, noting the approach being taken was working well despite current challenges. The AAB noted the report.

Item 7: Internal Audit

AAB(JUN20)03 – 2019/20 Status Report

7.1 Andy Munro provided a progress report on the internal audit plan for 2019/20.

7.2 It was noted that only one piece of work was outstanding from the 2019/20 audit plan, and that this work would take place in July provided public health advice/guidelines allow.

7.3 Andy Munro confirmed the previously identified issue of term-time workers has now been resolved and closed.

7.4 The AAB noted the report.

AAB(JUN20)04 – Review of Officeholders: Governance and Accountability

6.6 Andy Munro presented a report on the review of the processes and controls in place to oversee the governance and management arrangements for parliamentary funded officeholders.

6.7 It was noted that several Officeholders are now based in the same building, allowing for greater scope of shared services. The AAB agreed there was merit in further consideration of this in the future.

6.8 Andy Munro highlighted that the timings of some Officeholders audits had presented issues in relation to the SPCB accounts. Mark Taylor agreed that this was avoidable and would look to have the timings of these audits changed in future.

- **Mark Taylor to discuss the timings of officeholder audits with Audit Scotland colleagues.**

6.9 The AAB noted the report.

AAB(JUN20)05 – Review of Off-Payroll Workers: Tax Status

6.10 Andy Munro presented a draft report, produced by auditors Grant Thornton, providing a high-level review of contractor and subcontractor relationships and to identify any potential risks or exposure the SPCB has under off-payroll working legislation.

6.11 The AAB noted that an issue had been identified with regards to additional sub-contractors employed by SPCB contractors, and that employment responsibility still rests with the SPCB. It was noted that BIT currently has robust procedures in place to mitigate this issue and that these procedures could be considered for the wider organisation.

6.12 The AAB noted also, the recommendation that its members be designated as “Officeholders” and added to the Parliament’s payroll.

- **Andy Munro to discuss the recommendation of designating AAB members as “Officeholders” individually with each member.**

6.13 The AAB noted the draft report.

Michelle Hegarty left the meeting at 16:43.

AAB(JUN20)06 – Follow Up of Previously Agreed Audit Recommendations

6.12 Andy Munro presented a report on the progress made in implementing the recommendations raised in previous audit reports which have been agreed with relevant management, noting that the lockdown has impacted upon the timescales for implementation in some areas.

6.14 The AAB noted the report.

AAB(JUN20)07 – Draft Internal Audit Plan 2020/21

6.15 Andy Munro presented the final draft of the Internal Audit Plan for 2020/21 for the AAB's approval, noting that the plan assumes access to the Parliament building and includes consideration the SPCB's response to the pandemic.

6.16 The AAB approved the draft Internal Audit Plan, noting however that that timescales and priorities may change due to further lockdown restrictions.

Item 7: Strategic Risk Register

7.1 Andy Munro presented a paper, for the AAB's information, on the SPCB's Strategic Risk Register. It was noted that the register now includes risks associated with pandemics and is now being considered monthly by Leadership Group rather than quarterly.

7.2 The AAB noted the paper and welcomed the addition of additional risks and the increased frequency of consideration.

Item 8: Future Agenda Planner and AOCB

8.1 The AAB agreed the future agenda planner.

Time and date of next meeting

The next meeting will be held at 12:00pm on 9 September 2020.