



The Scottish Parliament
Pàrlamaid na h-Alba

Minute of the Advisory Audit Board (AAB) meeting held Wednesday 16 December 2020 at 12 noon

Present:

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

In attendance:

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

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: Minutes of Meeting

2.1 The minutes of the meeting held on Wednesday 9 September 2020 were agreed.

Item 3: Matters Arising

3.1 There were no matters arising.

Item 4: SPCB Budget 2020/21

AAB(DEC20)01 – Submission to the Finance and Constitution Committee on 16 December 2020

4.1 Michelle Hegarty spoke to the headlines of the SPCB's 2020/21 budget proposal. It was advised that the SPCB is seeking a year on year increase of approximately 17% principally due to: increases to the Staff Cost Provision; the Scottish funded element of the Electoral Commission; and additional legislative powers for Parliament funded Officeholders. Ms Hegarty advised that the SPCB's evidence session at the Parliament's Finance and Constitution Committee had recently been postponed from 16 December 2020 to 13 January 2021.

Item 5: COVID 19

5.1 Specific to the audit implications of COVID-19, Mark Taylor and Claire Gardiner introduced three reports recently prepared by Audit Scotland to inform its work programme and approach in 2021 and beyond; and to advise and guide public bodies in ensuring that accountability arrangements remain robust during and after the global health emergency.

AAB(DEC20)02 - Audit Scotland: Implications for public finances in Scotland

5.2 The paper set out the Government fiscal responses to date and the role of public audit in providing assurances to parliamentarians and taxpayers.

AAB(DEC20)03 - Audit Scotland: Guide for Audit and Risk Committees

5.3 The briefing identified internal controls and assurance; financial management and reporting; governance and risk management as the key issues for consideration by audit and risk committees during the COVID-19 pandemic. The AAB discussed its existing arrangements and was satisfied that its approach continues to meet with the key features of the report.

AAB(DEC20)04 - Audit Scotland: Emerging Fraud Risks

5.4 The paper identified fraud risks to public bodies in governance, procurement, payroll and recruitment, IT and Cyber and health and wellbeing. The AAB discussed the Parliament's responses and noted the ongoing arrangements in place to manage and mitigate these risks insofar as they are relevant.

5.5 Invited by the Chair, independent AAB members shared their professional experiences of the challenges, issues and priorities that have arisen from the pandemic. David McGill and Michelle Hegarty thanked all members for their comments and confirmed that the feedback provided offered them a degree of assurance that the actions being taken by the Scottish Parliamentary Service are broadly consistent with those elsewhere.

5.6 Michelle Hegarty advised that she continues to lead on the Parliament's response to COVID-19 supported by a working group of subject matter experts and other senior staff members. Ms Hegarty highlighted the main challenges of maintaining essential business at Holyrood whilst enabling as much homeworking as possible, consistent with Government regulations and guidance.

5.7 The technology changes to move from full in-person parliamentary business to hybrid and virtual sittings were noted, as was the success of the early provision of IT equipment to staff. She further explained the SPCB's policy of 'no detriment', the focus on wellbeing plans and the findings of the staff engagement survey.

5.8 AAB Members thanked Ms Hegarty for the update and noted the extensive measures taken by the Scottish Parliamentary Service to date.

Item 6: Internal Audit

AAB(DEC20)05 - Status Report 2020/21

6.1 Andy Munro spoke to the 2020/21 Status Report and advised that, while some planned work has been delayed and some reviews may have to be carried over to 2021/22, he remains confident that the scope and coverage of internal audit work during 2020/21 will be sufficient to enable him to prepare a final internal audit assurance report and opinion for the Clerk/Chief Executive (Accountable Officer).

AAB(DEC20)06 - Review of SPCB Corporate Cards

6.2 Andy Munro presented the findings of the review which concluded that controls are in place and have been operating effectively for the period reviewed. The AAB noted the report.

AAB(DEC20)07 - Review of Low Value Payments

6.3 Andy Munro presented the findings of the review and advised that detailed testing focused on the period of remote working. Mr Munro confirmed that the report had concluded positively, and internal controls continue to be effective in the current working environment. The AAB noted the report.

AAB(DEC20)08 - Follow Up of Previously Agreed Audit Recommendations

6.4 Andy Munro advised on the progress of previously agreed recommendations, confirming that a significant number of remaining actions will be addressed in the coming months following the Parliament's approval of the updated Scheme for the Reimbursement of Members' Expenses. The AAB noted the update.

Item 7: Update on BREXIT Planning

7.1 David McGill advised that, given the Brexit transition period will expire on 31 December 2020, a recall of Parliament may be called during the Christmas recess.

7.2 Mr McGill further informed the AAB of potential resourcing issues for the Scottish Parliamentary Service irrespective of a 'deal' and 'no deal'. Action will be taken in this regard after the transition period. The AAB thanked Mr McGill and noted the update.

Item 8: Strategic Risk Register update

8.1 Andy Munro spoke to the Strategic Risk Register and confirmed that it was reviewed and approved by Leadership Group in November 2020. Mr Munro further advised that the risk framework for the Scottish Parliamentary Service would shortly be refreshed to align with the Session 6 Strategy for the Scottish Parliament and the 2021/22 Delivery Plan for the Scottish Parliamentary Service.

8.2 David Watt offered to participate in the forthcoming review of risk management arrangements and **Andy Munro agreed to invite Mr Watt to contribute to the working group (ACTION).**

Item 9: Future Agenda Planner and AOCB

9.1 At the AAB's request, **Andy Munro to include a presentation on the Session 6 Strategy for the Scottish Parliament in the agenda planner (ACTION).**

9.2 Mark Taylor advised that Audit Scotland's work programme was being impacted by the pandemic and this may result in some proposed changes to the usual timetable for the closure of the Scottish Parliament's 2020/21 audit. Audit Scotland will discuss the implications and options with the Finance Office prior to finalising the 2020/21 Annual Audit Plan.

Item 10: Time and date of next meeting

10.1 The next meeting will be held at 12:00pm on 17 March 2021 via Microsoft Teams.