

# **Minutes of the Meeting of the Advisory Audit Board held on 20 March 2024 at 12.30pm in Q1.04, the Scottish Parliament**

Present: Andy Shaw, Chair  
David Watt

In Attendance: David McGill, Clerk/Chief Executive  
Michelle Hegarty, Deputy Chief Executive  
Lis Craig, Financial Controller  
Conor Hunter, Financial Controller  
Carole Grant, Audit Scotland  
Liz McConnachie, Audit Scotland  
Gillian McCreddie, Audit Scotland  
Lynsey Hamill, Group Head of Resilience and Sustainability  
Tommy Lynch, Head of Resilience  
Andy Munro, Head of Internal Audit  
Lisa Creamer, Secretariat

Apologies: Claire Baker MSP  
Jackson Carlaw MSP  
Sara Glass, Group Head of Financial Governance  
Claire Robertson

## **Item 1: Declarations of Interests**

1.1 There were no new declarations of interest.

## **Item 2: Minutes of Meeting from 20 September 2023**

2.1 AAB members approved the minute as drafted.

2.2 There were no matters arising.

## **Item 3: Risk Management Update**

### **AAB(MAR24)01 – Risk Management Update**

- 3.1 Tommy Lynch, Head of Resilience, introduced the paper and explained that work is continuing to mitigate risks that are currently recorded as 'intolerable' on the Principal Risk Register. The risk management framework is now embedded and is subject to regular review by Leadership Team and will continue as a standing item on the AAB's agenda.
- 3.2 Tommy Lynch further advised that early market research was underway to identify an alternative and effective platform for recording and managing risks. Tommy

invited recommendations of any such applications based on independent AAB Members' experience of working with other organisations.

## **Item 4: Audit Scotland**

### **AAB(MAR24)02 – 2023/34 Audit Plan**

- 4.1 Carole Grant introduced Audit Scotland's 2023/24 Audit Plan and provided an update on audit risks and areas for further audit focus.
- 4.2 The AAB noted and approved the 2023/24 Audit Plan.

## **Item 5: Finance Office**

### **AAB(MAR24)03 – National Fraud Initiative**

- 5.1 Lis Craig introduced this item confirming the exercise is now complete and all matters have been closed off on the NFI database. The next exercise is due to commence in Summer of 2024 and an update will be provided at the September AAB meeting.

## **Item 6: Internal Audit**

### **AAB(MAR24)04 – 2023/24 Status Report**

- 6.1 Andy Munro spoke to this status report highlighting the removal of the review on the Security Maturity Programme from the Internal Audit plan and the rephrasing of planned assignments to ensure the completion of the annual internal audit report and opinion for AAB consideration in September 2024.

### **AAB(MAR24)05 – Review of Cyber Security**

- 6.3 Andy Munro introduced the report and explained that following recent cyber-attacks on a substantial number of high-profile organisations across all sectors in Scotland and beyond, significant work is ongoing to mitigate the likelihood of the Parliament experiencing a similar.
- 6.4 Andy Munro confirmed that the review concluded with a satisfactory level of assurance and the issues identified in the report are being considered and addressed as a matter of urgency. In addition, the 'loss of IT' business continuity plan is being refreshed to enhance the Parliament's preparedness should such an attack occur.
- 6.5 AAB members noted the review and asked that the management action plan be updated to include the details of the officials responsible for implementing the recommendations arising from the review, together with indicative timescales for each.

**Action: Andy Munro to provide an updated management action plan for the cyber security review at the AAB's June meeting.**



## **AAB(MAR24)06 – Review of Corporate Cards**

- 6.6 Andy Munro spoke to this report highlighting the changes to cards being given to Members.
- 6.7 The AAB noted the report and its positive conclusion.

## **AAB(MAR24)07 – Review of Fixed Asset Accounting**

- 6.8 Andy Munro advised that an audit review of the Parliament's arrangements for capital accounting was added to the 2023/24 Internal Audit Plan following a specific recommendation in Audit Scotland's 2022/23 Audit Report.
- 6.9 Andy Munro advised that the sample of assets selected from the fixed asset sub-ledger could be readily identified and physically verified however there was scope to enhance the links between the fixed asset sub-ledger and the Facilities Management asset management system. A recommendation to enable this improvement was accepted by the Head of FM.
- 6.10 At Audit Scotland's request, Andy Munro agreed to meet with Gillian McCreadie to walk through the process and to share assurances on the completeness of the approach to fixed asset accounting.

**Action: Andy Munro to meet with Gillian McCreadie separately to share assurances on the Parliament's accounting for fixed assets.**

- 6.11 The AAB noted the report and its positive conclusion.

## **AAB(MAR24)08 – Follow Up of Previously Agreed Audit Recommendations**

- 6.12 Andy Munro advised that 23 previously agreed audit recommendations had now been actioned and removed from the schedule. A further 6 are in progress and will remain on the tracker for future follow up.
- 6.11 The AAB noted the report and welcomed the positive conclusion.

## **Item 7: AAB: Future Agenda Planner and AOCB**

### **AAB(MAR24)09 – Future Agenda Planner**

- 7.1 The AAB noted the future agenda planner.
- 7.2 David McGill recorded his thanks to Andy Shaw for his work on the Advisory Audit Board as a Member and Chair.

## **Item 8: Time and date of next meeting**

8.1 The next meeting will be held on Wednesday 19 June 2024.

Meeting Date	Issue	Action Required	Lead Official	Planned Completion Date	Status	Comments
AAB – June 2020	Review of Officeholders: Governance and Accountability	Andy Munro/Mark Taylor to discuss the timings of officeholder audits in future years.	Andy Munro	March 2021	In progress.	SHRC and Standards Commission audits will sign off before SPCB. SPSO and Biometrics will sign off shortly after however the work on these two audits will be complete. The remaining officeholders are not scheduled to complete their audits until 31 October 2024. We will continue to seek audit sign off for all officeholders prior to SPCB sign off in 2024/25.
AAB – March 2022	AAB(MAR22)02 – Fraud and Whistleblowing Policy	Andy Munro to bring updated policies on fraud and whistleblowing to AAB for further review and comment following review and approval by Leadership Team. Estimated June 2023 meeting.	Andy Munro	2022/23	In progress.	The Legal Services Office has instructed external solicitors to review and comment on a suite of SPCB policies including fraud and whistleblowing. The refreshed policies have been drafted and will be considered by SET by the summer 2024. These will be presented to the AAB for review and comment thereafter.
AAB – March 2024	AAB(MAR24)05 – Review of Cyber Security	Andy Munro to provide an updated management action plan for the cyber security review at the AAB's June meeting.	Andy Munro	June 2024	Actioned.	-
AAB – March 2024	AAB(MAR24)07 – Review of Fixed Asset Accounting	Andy Munro to meet with Gillian McCreddie separately to share assurances on the Parliament's accounting for fixed assets.	Andy Munro	June 2024	Actioned.	-