

Minutes of the meeting of the Advisory Audit Board held on 19 June 2024 at 12.30pm in Q1.04, The Scottish Parliament

Present: David Watt, Chair
Claire Robertson
Claire Baker MSP (from item 6)
Jackson Carlaw MSP

In Attendance: David McGill, Clerk/Chief Executive
Sara Glass, Group Head of Financial Governance
Lis Craig, Financial Controller
Anne Hamilton, Financial Accountant
Liz McConnachie, Audit Scotland
Gillian McCreadie, Audit Scotland
Tommy Lynch, Head of Resilience
Andy Munro, Head of Internal Audit
Lisa Creamer, Secretariat

Apologies: Carole Grant, Audit Scotland
Michelle Hegarty, Deputy Chief Executive

Item 1: Declarations of Interests

1.1 There were no new declarations of interest.

Item 2: Minutes of Meeting from 20 March 2024

2.1 AAB members approved the minute as drafted.

2.2 There were no matters arising.

Item 3: Strategic Risk Update

AAB(JUN24)01 – Risk Management Update

3.1 Tommy Lynch provided an update on risk management arrangements, specifically noting the recently revised risk management framework and the change in risk focus.

3.2 The AAB welcomed the paper and the update.

Item 4: Finance Office

AAB(JUN24)02 – Draft SPCB Annual Report and Accounts 2023/24

- 4.1 Lis Craig introduced this item explaining that the paper is an initial draft but is provided to offer AAB Members an early opportunity to comment on format and content. Lis Craig further advised that while the implementation of the new financial ledger was adding significant staffing pressures, she remained on track to provide the final draft of the Annual report and Accounts to the AAB at its September meeting to ensure final sign off by the SPCB before the October 2024 recess.
- 4.2 The AAB thanked Lis Craig for the opportunity to provide early comments and noted the paper.

AAB(JUN24)03– The SPCB Annual Report and Accounts 2023/24 – Accounting Estimates

- 4.2 Lis Craig introduced the paper and highlighted the key accounting judgements within the financial statements.
- 4.2 The AAB noted the paper.

Item 5: Audit Scotland

AAB(JUN24)04 –Interim Management Letter 2023/24

- 5.1 Liz McConnachie spoke to the interim management letter noting recommendations to enhance user access controls to the MyExpenses system and the SEAS financial ledger system. The recommendations, while relatively low risk, have been accepted and will be implemented in due course.
- 5.2 The AAB noted the interim management letter and the agreed actions therein.

Item 6: Internal Audit

AAB(JUN24)05 – 2023/24 Status Report

- 6.1 Andy Munro spoke to the status report advising the revisions to the agreed audit plan and the work being carried forward to 2024/25 internal audit plan.
- 6.2 The AAB noted the revisions to the agreed internal audit plan.

AAB(JUN24)06 – Cyber Security

- 6.3 Andy Munro introduced an update to the action plan prepared by the Business Information Technology team following the Cyber Security report considered by the AAB in March 2024. Andy Munro explained that the agreed actions were being implemented and the recommendations will be added to the AAB's regular follow up tracker of audit actions.
- 6.4 AAB members noted the update and asked that BIT staff be invited to a future AAB meeting to provide an update and a briefing on the work ongoing in respect of cyber security.

Action – Andy Munro to invite responsible officials to attend a future AAB meeting to provide an update on the work being done to enhance the SPCB’s cyber defences.

AAB(JUN24)07 – Mobile Device Policy

6.5 Andy Munro spoke to this item explaining the work that was undertaken to develop the policy which was considered and endorsed by the SPCB in January 2024. Andy Munro further advised that the new policy was published on the Parliament’s Intranet in the week commencing 10 June 2024.

6.6 The AAB noted the policy.

AAB(JUN24)08 – Draft Internal Audit Plan 2024/25

6.7 Andy Munro spoke to the Internal Audit Pla and highlighted some key areas including the forthcoming implementation of the new financial, payroll and HR systems and well as further work in respect of officeholder governance following the publication of the of the Finance and Public Administration Committee’s report in that area.

6.8 The AAB noted and approved the Internal Audit Plan for 2024/25.

Item 7: AAB: Future Agenda Planner and AOCB

AAB(JUN24)09 – Future Agenda Planner

7.1 The AAB noted the future agenda planner.

Item 8: Time and date of next meeting

8.1 The next meeting will be held on 18 September 2024. Meeting dates for 2025 will be issued by the Secretary in due course.

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 SPCB in September 2024 for review and comment and will be added to AAB agenda for further comment in January 2024.
AAB – June 2024	AAB(JUN24)06 – Cyber Security	Andy Munro to invite BIT to attend a future AAB meeting to provide an update on the work being done to enhance the SPCB's cyber defences.	Andy Munro	2022/23	In progress.	Director of Operations and Head of BIT invited to attend AAB meeting in January 2025 to provide an update.