



The Scottish Parliament
Pàrlamaid na h-Alba

Minute of the Advisory Audit Board (AAB) meeting held Wednesday 23 March 2022 at 12.30pm

Present:

- Andy Shaw, Chair
- Claire Baker MSP
- Claire Robertson
- David Watt

In attendance:

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

Apologies:

- Jackson Carlaw MSP
- David McGill, Clerk/Chief Executive

Item 1: Minutes of Meeting and matters arising from 19 January 2022

- 1.1 AAB members approved the minute as drafted.
- 1.2 There were no matters arising.

Item 2: Declarations of Interests

- 2.1 David Watt declared an interest as the Chair of the Audit Advisory Board at the Scottish Human Rights Commission.
- 2.2 Andy Munro declared an interest as the interim Accountable Officer of the Scottish Human Rights Commission by way of a part-time secondment until 20 June 2022.

Item 3: COVID 19: Scottish Parliament Response Update

- 3.1 Michelle Hegarty advised of the continuing challenges and outlined the plans for recommencing all services and the resumption of business to pre-pandemic levels after Easter recess.

Item 4: Audit Scotland

AAB(MAR22)01 - 2021/22 Audit Plan

- 4.1 Mark Taylor introduced the 2021/22 Audit Plan and explained the current year is the final year of an extended six-year appointment.
- 4.2 Mark Taylor further advised that the Auditor General for Scotland will continue as the SPCB's Auditor going forward.
- 4.3 Mark explained a risk-based approach had been taken when preparing the plan included cyber security and validation checks. AAB Members were asked to identify any fraud risks they may be aware of. There being none noted, the AAB approved the 2021/22 Audit Plan.

Item 5: Finance Office

AAB(MAR22)02 – Fraud and Whistleblowing Policy

- 5.1 Andy Munro introduced this item explaining that the policy has been reviewed by himself and Lis Craig, Financial Controller.
- 5.2 AAB Members recommended that consideration should be given to drafting separate policies for fraud and whistleblowing.
- 5.3 Michelle Hegarty suggested that this should go back to Leadership Group for discussion in the first instance.
- 5.4 Andy Munro confirmed that the policies will come back to the AAB for further consideration following further review and approval by Leadership Group.

Action

Andy Munro to bring updated policies on fraud and whistleblowing to AAB for further review and comment following review and approval by Leadership Group.

Item 6: Internal Audit

AAB(MAR22)03 – 2021/22 Progress Report

- 6.1 Andy Munro introduced this report noting that detailed testing of the Reimbursement of Members' expenses will take place in summer 2022 consistent with normal timescales.
- 6.2 Andy Munro provided AAB Members with a brief overview of the Audit Plan for 2022/23 and advised that the planned review of the evaluation and benefits of the Security Maturity Programme will be carried forward from 2021/22 to 2022/23.

AAB(MAR22)04 – Review of Financial Forecasting System (Hubble)

- 6.4 Andy Munro introduced the report highlighting the benefits of the new finance reporting system. The system provides for more accurate financial management information confirmed by audit testing and reaffirmed by a range of budget managers across the Scottish Parliamentary Service.
- 6.5 AAB Members noted and approved the report.

AAB(MAR22)05 – Review of Members’ Expenses System (My Expense)

- 6.6 Andy Munro introduced this paper explaining that a series of walkthrough tests and investigations had confirmed that robust process controls were in place across the system adding that these would be tested in further detail in the summer of 2022 as part of the annual planned audit of the reimbursement of Members’ expenses.
- 6.7 Noting that the review had identified some problems embedding the use of the system across some user groups, the overall conclusion of the report was satisfactory as oppose to strong
- 6.8 The AAB noted and approved the report.

Item 7: AAB: Future Agenda Planner and AOCB

- 7.1 Andy Munro asked AAB Members to contact the Secretariat with other matters of interest they may wish to discuss going forward.
- 7.2 Mark Taylor highlighted they do not intend to issue an interim planning report but will report anything significant by exception.

Item 8: Time and date of next meeting

The next meeting will be held at 12:30pm on 15 June 2022. It is expected that this will take place in person at the Scottish Parliament.