

Minutes of the meeting of the Advisory Audit Board held on 11 June 2025 at 12.30pm in Q1.04, The Scottish Parliament

- Present: David Watt, Chair
Steve Renwick
Siobhan White
Claire Baker MSP
- In Attendance: David McGill, Clerk/Chief Executive
Michelle Hegarty, Deputy Chief Executive
Beki Stark, Financial Controller
Anne Hamilton, Financial Accountant
Carole Grant, Audit Scotland
Gillian McCreddie, Audit Scotland
Tommy Lynch, Head of Resilience
Andy Munro, Interim Chief Finance Officer
Hannah McKellar, Grant Thornton
Lynn Russell, Head of Secretariat
Lisa Creamer, Secretariat
- Apologies: Liz McConnachie, Audit Scotland
Jackson Carlaw MSP

Item 1: Declarations of Interests

- 1.1 David Watt, Steve Renwick and Siobhan White declared an interest in Officeholder governance.

Item 2: Minutes of Meeting from 19 March 2025 and Matters Arising

- 2.1 Steve Renwick and Carole Grant provided comments on the previous minute.
- 2.2 There were two matters arising. The AAB agreed that the outstanding actions in could be moved back to September 2025.

Item 3: Strategic Risk Update

AAB(JUN25)01 – Strategic Risk Update

- 3.1 Tommy Lynch provided an update on the principal risks considered by the Senior Executive Team (SET) in February 2025. A further review was undertaken by

SET in May 2025. Tommy confirmed there has been progress on the intolerable risks with improvements to be made on safety away from Holyrood and cyber.

- 3.2 The AAB noted the update.

Item 4: Clerk/Chief Executive Update

- 4.1 David McGill confirmed a successful recruitment process was now complete and the new Director of Finance, will take up post later in the year.
- 4.2 David McGill further provided an update on planning for the May 2026 election. At the date of the meeting, 34 Members have indicated they will not be seeking re-election giving rise to the possibility that a record level of new Members will be returned. The Election Project Board will continue to monitor likely outcomes and review the resources required to ensure a smooth transition to Session 7. It was also confirmed that a new Member was recently sworn in following a by election.
- 4.3 AAB members welcomed this update.

Item 5: Finance Office

AAB(JUN25)02 – Draft Annual Report and Accounts 2024/25 **AAB(JUN25)03 – Draft Annual Report and Accounts 2024/25 –** **accounting estimates**

- 5.1 Andy Munro presented the draft annual report and accounts and advised that while there is some work required to finesses the formatting of the report, the figures were expected to remain as is, subject to the forthcoming final audit visit by Audit Scotland. Andy Munro further advised that AAB members have a further opportunity to consider the updated draft in advance of the AAB's meeting in September 2025.
- 5.2 The AAB noted the estimates and conclusions and that there were no changes to the pension arrangements.

Item 6: Audit Scotland

AAB(JUN25)04 – Interim Management Letter 2024/25

- 6.1 Carole Grant introduced the Interim Management Letter and advised that it represents a summary of the work performed by Audit Scotland in the audit year to date. The letter identified some opportunities for enhancing controls and noted the review of the month end processes that is planned. The letter also recommended a regular review of access rights to the oracle system and SEAS access permissions.

- 6.2 Carol Grant recorded thanks to Beki Stark, Anne Hamilton and the wider team for their help and cooperation. The AAB noted the letter.

Item 7: Internal Audit

AAB(JUN25)05 – Internal Audit Charter

- 7.1 Andy Munro introduced the Internal Audit Charter explaining it was approved by SET and the Clerk/Chief Executive, as Accountable Officer, in March 2025 and included the gaps and updates required that were considered by the AAB in March 2025.
- 7.2 The AAB endorsed the Internal Audit Charter.

AAB(JUN25)07 – Payroll Review

- 7.4 Hannah McKellar introduced this review extending a thanks to all those involved. Hannah McKellar further confirmed that the review had concluded positively with only one minor area for control enhancement. Andy Munro and Beki Stark agreed to liaise with Pay and Pensions colleagues to better understand the background to the low-risk recommendation.

Action: Andy Munro and Beki Stark to reconsideration the recommendation on annual reconciliations of staff and payroll records.

AAB(JUN25)08 – Draft Internal Audit Plan 2025/26

- 7.5 Andy Munro introduced the 2025/26 Internal Audit Plan noting that it has been endorsed by the SET. Andy highlighted noting the mitigations and actions planned to ensure the continued independence of the Internal Audit Office.
- 7.6 The AAB noted and approved the 2025/26 Internal Audit Plan.

Item 8: AAB: Future Agenda Planner and AOCB

AAB(JUN25)09 – Future Agenda Planner and AOCB

- 8.1 The AAB noted the future agenda planner.

Item 9: Time and date of next meeting

8.1 The next meeting will be held on 17 September 2025.

Meeting Date	Issue	Action Required	Lead Official	Planned Completion Date	Status	Comments
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	December 2025	Not yet actioned.	Director of Operations and Head of BIT invited to attend future AAB meeting.
AAB – June 2025	AAB(JUN25)07 – Payroll Review	Andy Munro and Beki Stark to reconsideration the recommendation on annual reconciliations of staff and payroll records.	Andy Munro	September 2025	In progress.	Verbal update will be provided to AAB on 17 September 2025.