

Minutes of the meeting of the Advisory Audit Board held on 19 March 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
Sara Glass, Group Head of Financial Governance
Beki Stark, Financial Controller
Carole Grant, Audit Scotland
Liz McConnachie, Audit Scotland
Tommy Lynch, Head of Resilience
Andy Munro, Head of Internal Audit
Lisa Creamer, Secretariat

Apologies: Gillian McCreadie, Audit Scotland
Jackson Carlaw MSP

Item 1: Declarations of Interests

1.1 There were no new declarations of interest.

Item 2: Minutes of Meeting from 18 September 2024 and Matters Arising

2.1 AAB members approved the minute as drafted.

2.2 There were two matters arising. The AAB agreed that the outstanding actions in respect of Officeholder annual audits and Cyber Security were now closed. David McGill provided an update on the work of the SPCB Supported Bodies Landscape Review Committee.

2.3 Noting it was their last meetings prior to departing the Parliament, AAB members wished to record their thanks to Sara Glass and Lis Craig for their contribution and support in previous years.

Item 3: Risk Management Report

AAB(MAR25)01 – Risk Management Report

- 3.1 Tommy Lynch provided an update on the principal risks considered by the Senior Executive Team (SET) in February 2025. A further review is scheduled for May 2025 and will be provided to the AAB for its consideration and comment in June 2025.
- 3.2 Steve Renwick sought clarification as to the extent of any liability of the SPCB for MSPs and their staff associated with safety away from Holyrood. He also commended actions pertaining to the Information Technology risks of “ICT” but sought assurance as to the risk management aspect of Communications technology as part of ICT. Tommy Lynch explained that arrangements for instant communications and the formation of an Incident Management Team are in place and progress continues to further mitigate this risk to a tolerable level.

Item 4: Audit Scotland

AAB(MAR25)02 – 2024/25 Audit Plan

- 4.1 Carole Grant introduced the internal audit plan confirming that no significant risks had been identified by Audit Scotland’s planning work. Further interim work will take place in the coming months and the audit of the financial statements was due to commence in summer 2025 as planned.
- 4.2 The AAB approved the 2024/25 Audit Plan.

Item 5: Finance Office

AAB(MAR25)03 – National Fraud Initiative

- 5.1 Beki Stark provided an update on the National Fraud Initiative explaining that sampling methodologies have been established and a verbal update will be provided to the AAB meeting in September 2025. A formal paper is expected to be presented to the AAB at its January 2026 meeting.

Item 6: Internal Audit

AAB(MAR25)04 – 2023/24 Status Report

- 6.1 Andy Munro provided an update on the status report and advised that the resource previously set aside for officeholders would focus on a review of space utilisation within office accommodation. The SPCB Supported Bodies Landscape Review Committee was due to report by summer 2025 and further internal audit resource

on the findings and recommendations of the Committee's work would feature in the 2025/26 Internal Audit Plan.

AAB(MAR25)05 – Review of Risk Management

- 6.2 Andy Munro presented the findings of the recently completed review of risk management highlighting the positive conclusions. The AAB approved the report and endorsed the agreed management actions therein.

AAB(MAR25)06 – Review of Cyber Security – Recommendations and Actions

- 6.3 Andy Munro presented the report which set out the status of the previously agreed actions of the 2023/24 cyber security performed by Grant Thornton UK LLP's Cyber Specialist Team. The report concluded positively and further updates on cyber preparedness and responses will continue given the ongoing risk exposure identified by the Senior Executive Team. The AAB approved the report and endorsed the agreed management actions therein.

AAB(MAR25)07 – Follow Up of Previously Agreed Audit Recommendations

- 6.4 Andy Munro spoke to the progress made to implement previously agreed audit recommendations confirming that significant progress was being made to clear outstanding actions.

AAB(MAR25)08 – New Global Internal Audit Standards – Implementation Gap Analysis

- 6.5 Andy Munro presented a gap analysis paper highlighting the changes required to ensure that the SPCB is aligned with the standards expected in the UK public sector. A refreshed Internal Audit Charter, including a mandate for internal audit, will be presented to the SET in May 2025 and the AAB in June 2025 for formal approval and consideration.

Action: Revised Internal Audit Charter, consistent with the requirements of GIAS, to be presented to the SET and the AAB.

AAB(MAR25)09 – Fraud and Anti-Bribery Policy

- 6.6 The AAB noted the report for information.

Item 7: AAB: Future Agenda Planner and AOCB

AAB(MAR25)10 – Future Agenda Planner and AOCB

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 11 June 2025.

Meeting Date	Issue	Action Required	Lead Official	Planned Completion Date	Status	Comments
AAB – March 2025	AAB(MAR25)08 – New Global Internal Audit Standards Implementation Gap Analysis	Revised Internal Audit Charter, consistent with the requirements of GIAS, to be presented to the SET and the AAB.	Andy Munro	June 2025	Complete.	Revised Charter approved by SET on 19 May 2025, presented to AAB for consideration and comment on 11 June 2025.
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	September 2025	In progress.	Director of Operations and Head of BIT invited to attend future AAB meeting.