

Minutes of the meeting of the Advisory Audit Board held on 17 September 2025 at 12.30pm in Q1.04, The Scottish Parliament

Present: David Watt, Chair
Steve Renwick
Siobhan White
Claire Baker MSP
Jackson Carlaw 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 McCreadie, Audit Scotland
Liz McConnachie, Audit Scotland
Tommy Lynch, Head of Resilience
Andy Munro, Interim Chief Finance Officer
Hannah McKellar, Grant Thornton
Joanna Purves, Administrator
Joe Al-Gharabally, Incoming Chair
Lisa Creamer, Secretariat

Item 1: Declarations of Interests

- 1.1 David Watt, Steve Renwick and Siobhan White each declared an interest as audit advisers to certain officeholders.

Item 2: Minutes of Meeting from 11 June 2025 and Matters Arising

- 2.1 The AAB approved the minute as drafted.

Item 3: Clerk/Chief Executive's Update

- 3.1 David McGill provided an update on the transition from Session 6 to Session 7 explaining the process and providing background to the Election Project. The Election order has now been laid, and the Standards Procedures and Public Appointments Committee are due to take evidence from the Scottish Government on 18 September 2025.
- 3.2 The AAB noted the update.

Item 4: Risk Update

AAB(SEP25)01 – Risk Update

- 4.1 Tommy Lynch provided the quarterly update on strategic risk management, noting that during a recent meeting of the Senior Executive Team, Directors had re-assessed current risk exposure and continued to horizon scan to inform known and emerging risks.
- 4.2 AAB members welcomed the update, noted the continuous improvement in strategic risk management arrangements overall and commended the thorough approach.

Item 5: Finance Office

AAB(SEP25)02 – SPCB Annual Report and Accounts 2024/25

- 5.1 Andy Munro introduced the third draft of the Annual Report and Accounts.
- 5.2 AAB members thanked the Finance Office for the advance notice of drafts and the quick responses to all queries. Andy Munro confirmed that the Annual Report and Accounts will be presented to the Scottish Parliamentary Corporate Body's meeting on 25 September 2025 for formal approval and will be signed by the Clerk/Chief Executive and the Auditor General for Scotland shortly thereafter.
- 5.3 The AAB endorsed the Annual Report and Accounts and recommended that these be presented to the SPCB for formal approval and should be signed by David McGill as Accountable Officer.

Item 6: Assurance Statements

AAB(SEP25)03 – Assurance Statements

- 6.1 Following a specific request by the AAB Chair, Andy Munro presented the assurance statements that are provided to David McGill annually in advance of his signing the Annual Report and Accounts.
- 6.2 The AAB noted the inconsistent format of the assurance statements received, particularly those from Officeholders.

Action: Andy Munro - to consider the scope to refine and enhance assurance statements and the consistency of returns from Officeholders in particular.

Item 7: Audit Scotland

AAB(SEP25)04 – Cover paper and ISA 580: Letter of Representation

- 7.1 Carole Grant presented the letter of representation confirming that this requires to be signed by the Clerk/Chief Executive as the Accountable Officer of the SPCB.
- 7.2 The Chair thanked Audit Scotland for the work to complete the Audit and the AAB noted the letter of representation.

AAB(SEP25)05 – 2024/25 Annual Audit Report

- 7.3 Carole Grant presented the audit report and confirmed that there were no remaining outstanding items or items to draw attention to the AAB's attention. Ms Grant further advised that Audit Scotland had not undertaken any non-audit related services.
- 7.4 On behalf of Audit Scotland, Carole Grant thanked SPCB staff, and the Finance Office in particular, for their assistance during the audit.

Item 8: Internal Audit

AAB(SEP25)06 – Review of the Reimbursement of Members' Expenses

- 8.1 Hannah McKellar introduced the report confirming the positive findings and positive outcome based on the detailed testing performed.
- 8.2 Following discussion, Hannah agreed with AAB Members that the grading of the report might be increased from its current 'satisfactory' conclusion to 'substantial'.
- 8.3 The AAB noted the report.

Action: Hannah McKellar – final grading to be considered by Grant Thornton.

AAB(SEP25)07 – Review of Compliance Framework

- 8.4 Hannah McKellar introduced this item and confirmed a satisfactory conclusion to the audit, based on work performed. Hannah McKellar further confirmed that each recommendation had been agreed with management with appropriate timescales for action in place.
- 8.5 The AAB noted the report.

Action: Andy Munro – report to be updated to reflect application of Global Internal Audit Standards.

AAB(SEP25)08 – Annual Assurance Report to the Accountable Officer 2024/25

- 8.6 The AAB noted and approved the Annual Assurance Report to the Accountable Officer.

AAB(SEP25)09 – AAB Annual Report to the SPCB 2024/25

8.7 The AAB noted and approved the AAB Annual Report to the SPCB.

Item 9: AAB: Future Agenda Planner and AOCB

AAB(SEP25)10 – Future Agenda Planner and AOCB

9.1 The AAB noted the future agenda planner.

9.2 Noting that David Watt's term of appointment as AAB Chair was due to end, David McGill asked that his personal thanks, and those of the SPCB, be recorded.

Item 10: Time and date of next meeting

10.1 The next meeting will be held on 21 January 2026.

Item 11: Private meeting between AAB Members and Audit Scotland

11.1 AAB Members, Audit Scotland and the Head of Internal Audit met in private.

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	September 2026	Not yet actioned.	Director of Operations and Head of BIT invited to attend future AAB meeting when the audit of Business Continuity for Loss of IT is presented. Currently targeting June or September 2026.
AAB – June 2025	AAB(JUN25)07 – Payroll Review	Andy Munro to review the recommendation on annual reconciliations of staff and payroll records.	Andy Munro	March 2026	In progress.	Monthly reconciliations confirmed to be in operation providing assurance that internal controls are in place and operating effectively. Pay and Pensions team to consider the added value of an annual reconciliation.
AAB – September 2025	AAB(SEP25)03 - Assurance Statements	Consider the scope to refine and enhance assurance statements and the consistency of returns from Officeholders.	Andy Munro	June 2026	Not yet actioned	Work to implement Internal Control Checklists, to form part of the annual assurance process, included in 2025-26 rephased internal audit plan. Scope to require officeholders to complete these returns is being discussed with Officeholder Services.
AAB – September 2025	AAB(SEP25)06 Review of Reimbursement of Members' Expenses	Grading to be considered by Grant Thornton.	Hannah McKellar	January 2026	Actioned.	Grading deemed satisfactory.
AAB – September 2025	AAB(SEP25)07 · Review of Compliance Framework	Report to be updated to reflect application of Global Internal Audit Standards.	Andy Munro	January 2026	Actioned.	Report updated as per minute of meeting.