

# Minutes

## Audit Committee



Tuesday 4 March 2025, 10.00 am  
Audit Scotland, 102 West Port, Edinburgh

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### Present:

Patrick Bartlett (Chair)  
Jackie Mann  
Jo Armstrong

### Apologies:

Graham Gillespie, Wbg

### In attendance:

Colin Crosby, Chair, Audit Scotland Board  
Stephen Boyle, Accountable Officer and Auditor General for Scotland  
Catherine MacLean, Boardroom Apprentice  
Vicki Bibby, Chief Operating Officer  
Martin Walker, Director of Corporate Support  
Graeme Forrester, Head of Performance and Corporate Governance  
Stuart Dennis, Corporate Finance Manager  
Nicola Paton, Digital Project Manager  
David McGurk, Service Delivery Manager  
Stephen Pringle, Wbg  
Jillian So, Alexander Sloan  
David Jeffcoat, Alexander & Sloan  
Niki Ross, Forum Support Coordinator (Minutes)

### 1. Private meeting with Internal Auditors (Wbg) and External Auditors (Alexander Sloan)

A private meeting was held with the Audit Committee members, internal auditors, Wbg and external auditors, Alexander Sloan.

### 2. Welcome and apologies

The Chair opened the meeting, welcomed everyone, and noted there were no issues arising from the private meeting.

The Chair formally noted that this was his first Audit Committee meeting and his first meeting in the role as Chair.

### 3. Declarations of interests

There were no declarations of interest.

#### **4. Minutes of the last meeting: 11 November 2024**

The Audit Committee reviewed and agreed the minutes of the 11 November 2024 meeting, copies of which had been previously circulated.

#### **5. Review of action tracker**

The Audit Committee reviewed the action tracker, copies of which had been previously circulated.

Graeme Forrester provided a further update to the actions. The Audit Committee noted the tracker for completeness.

**Action:** Vicki Bibby will share the Audit Scotland Best Value Self-assessment report with the Accounts Commission for their information, noting that it is not intended for wider distribution.

#### **6. Internal audit: Internal / external audit cooperation**

Stephen Pringle, Wbg, introduced the report on internal and external audit cooperation, copies of which had been previously circulated.

David Jeffcoat, on behalf of Alexander & Sloan, and Stephen advised that joint working is working well with liaison throughout the year as and when needed and raised no concerns.

Following discussion, the Audit Committee noted the positive cooperation between internal and external audit.

#### **7. Internal audit: Progress report**

Stephen Pringle introduced the internal audit progress report, copies of which had been previously circulated.

Following discussion, the Audit Committee noted that the internal audit work was on schedule and that a final update report for 2024/25 will be brought to Audit Committee meeting on 6 May 2025.

#### **8. Internal Audit: Corporate governance**

Stephen Pringle provided an update on the internal audit on corporate governance, copies of which had been previously circulated.

Stephen confirmed that following the review, Audit Scotland received a strong level of assurance surrounding the corporate governance arrangements, with one low grade recommendation.

Following discussion, the Audit Committee was content to note the report.

## **9. Internal Audit: Performance management**

Stephen Pringle provided an update on the internal audit of performance management, copies of which had been previously circulated.

Stephen confirmed that following the review, Audit Scotland received a strong level of assurance, with three low grade recommendations.

During discussion, the Audit Committee acknowledged that work is underway to review the performance management framework, which includes providing better real-time data and reviewing indicators.

Following discussion, the Audit Committee was content to note the report.

## **10. Internal audit: Internal audit recommendations progress report**

Graeme Forrester introduced the Internal audit recommendations progress report, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the progress on the implementation of outstanding audit recommendations.

During discussion, the Audit Committee sought clarification on the process for approving changes to implementation dates within Audit Scotland, noting that set implementation dates should only be changed where absolutely necessary. The Committee was advised that a robust process and governance structure is in place, involving the Executive Team, and that the internal auditor's own follow-up report would be presented to the next meeting of the Committee. The Committee requested that future reports make clear which dates have changed since the last Audit Committee reporting, and which 'complete' points have been agreed as complete with internal audit.

Following discussion, the Audit Committee was content to note the report.

## **11. (a) 2024-25 Year end Statutory Accounts timetable**

Stuart Dennis introduced the Year end statutory accounts timetable, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the timetable for the completion of the Statutory Accounts for the Year ended 31 March 2025.

During discussion, the Audit Committee considered the year-end timetable for the annual accounts and agreed that it would be beneficial to review a comprehensive version of the document, including the Statutory Accounts and the front end of the Audit Scotland Annual Report, at an early stage.

This would allow for input prior to the Audit Committee's approval in June.

Following discussion, the Audit Committee was content to note the report.

## **(b) 2024-25 Accounting policies, key accounting estimates and judgements**

Stuart Dennis introduced the proposed Accounting policies, key accounting estimates and judgements, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the proposed 2024-25 Accounting policies, key accounting estimates and judgements.

Following discussion, the Audit Committee noted the proposed accounting policies, estimates and judgements. It was noted that the proposed policies, estimates and judgements could change as part of the accounts finalisation process and would be approved as part of the final accounts approval.

## **12. 2024-25 External audit plan**

David Jeffcoat, Alexander Sloan, introduced the 2025/26 External audit plan, copies of which had been previously circulated.

David provided an overview of the plan for the forthcoming audit including details of their planned audit approach, highlighting the key areas identified (risks, estimates and qualitative) within the audit.

The Audit Committee was content to note the 2024-25 External Audit Plan.

## **13. Q3 Financial performance report**

Stuart Dennis introduced the Q3 financial performance report, copies of which had been previously circulated.

Audit Committee was invited to:

- Note the financial results for the nine months to 31 December 2023.

During discussion, the Audit Committee asked for clarification on the reason why our projected progress was ahead of the actual progress. Members noted that some significant audits have taken longer to sign off than originally planned, posing a risk to our year-end budget. For future reporting, members agreed that aligning our financial budgeting with our audit delivery recovery plan would be beneficial, as it would help in understanding variances.

Further discussion focused on fee income from audit firms and its impact on underspends. Members agreed that including overrun fees for firms

and for Audit Scotland in future reports would provide better context and enhance understanding of our budget position.

Following discussion, the Audit Committee was content to note the Q3 Financial performance report.

#### **14. 2023-24 Annual procurement report**

Stuart Dennis introduced the 2023-24 Annual procurement report, copies of which had been previously circulated.

The Audit Committee was asked to:

- Note the procurement activity included in the 2023-24 Annual Procurement Report.

During discussion, the Audit Committee reflected on the duty to include community benefits for contracts valued at £4 million or more, noting that this is part of our procurement process, and that the organisation's function as an anchor institution and its requirement to balance costs might benefit from Board discussion.

Following discussion, the Audit Committee was content to note the report, with minor amendments, and approved it for publication on the Audit Scotland website.

#### **15. Review of risk management framework**

Graeme Forrester introduced the revised risk management framework, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the interim update of the RMF.
- Note that a full review of the RMF will be carried out and reported to the Audit Committee for approval.

Following discussion, the Audit Committee was content to note the report and supported the recommendation of doing a full review for Audit Committee approval on 2 September 2025.

#### **16. Review of risk register**

Graeme Forrester introduced the updated corporate risk register, copies of which had been previously circulated.

The Audit Committee was invited to:

- Consider the updated risk register.
- Determine whether additional management action is required.

During discussion, the Audit Committee reflected on the 'red' risk relating to 'failures around cyber security' and whether it should be recorded in this

way as the risk of cyber-attacks is an ever-present risk that is out with our control. It was noted that this would be considered further as part of the full RMF review.

The Committee noted some connections across risks A14, M7 and M8, noting that M8, a relatively new risk, recognised the potential impact on Audit Scotland's cashflow of financial pressures in audited bodies. In relation to risk A5 the Committee discussed the importance of audit quality, including in relation to local authority audits.

Following discussion, the Audit Committee was content to note the report.

## **17. 2025 Risk deep dive schedule**

Graeme Forrester introduced the risk deep dive schedule, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the criteria used in identifying options.
- Consider the proposed deep dive options at paragraph 21.
- Determine subjects for deep dives to take place in 2025/26.

During discussion, the Audit Committee reflected on the proposed deep dive options and agreed for the following four to take place in 2025/26: Managing the impacts on staff from organisational change (RemCo deep dive), Managing our reputation (Board deep dive), Data analytics and AI (Audit Committee deep dive), and Cyber resilience and recovery (Audit Committee deep dive); preferably in this order. It was noted that it may be appropriate to flex/revisit the proposed deep dives schedule depending on circumstances during the year.

Following discussion, the Audit Committee was content to note the report.

## **18. 2024-25 Q3 Data incidents / loss report**

Graeme Forrester introduced Q3 report on data incidents / loss, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the report.

Following discussion, the Audit Committee was content to note the report.

## **19. Digital security update**

*Nicola Paton and David McGurk joined the meeting.*

Nicola Paton introduced the Digital security update, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the digital security risk profile.
- Note the ongoing and planned actions to mitigate digital risks.
- Note the summaries of Threats and risks, and Actions and Improvements that are provided in this document.

During discussion, members reflected on the indirect threat posed by a recent attack on Deloitte LLP, its potential impact on their clients, and the lessons learned from this. Members noted that it may be appropriate to reflect on the Audit Scotland communications management process.

The Audit Committee was pleased to note the progress on staffing, which was expected to soon be at full complement.

Following discussion, the Audit Committee was content to note the report.

*Nicola Paton and David McGurk left the meeting.*

## **20. 2025 Annual assurance and statement of control process**

Graeme Forrester introduced the Annual assurance and statement of control process for 2025, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the report.

During discussion, the Audit Committee agreed that it would be beneficial to capture and highlight any issues or concerns that may have arisen during the sign-off process, even if they did not impact the actual sign-off itself.

Following discussion, the Audit Committee was content to note the report.

## **21. 2025 Annual review of business continuity arrangements**

Graeme Forrester introduced the Annual review of business continuity arrangements, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the annual review of our Business Continuity arrangements.
- Approve the Policy and Objectives attached as an appendix to this report.
- Note that the detailed incident recovery plans have been updated
- Note that further minor revisions to the plans may take place during the year as appropriate (to reflect updates to team composition, amendments to contact details, or changes to

business practice).

During discussion, the Audit Committee considered whether disruptions to key suppliers should be included in our Business Continuity arrangements.

Following discussion, the Audit Committee was content to note the report and approve the Policy and Objectives attached at appendix 1.

**Action:** Graeme to look at the practicalities of including the Secretary to the Accounts Commission as a member of the Incident Management Team.

**Action:** Graeme to assess the inclusion of supplier disruptions and recovery approaches in our business continuity arrangements.

## **22. Any other business**

The Audit Committee agreed that reports they have already reviewed and remain materially unchanged should be listed for the Board to note and ratify, rather than be presented again for discussion; and that any changes to such reports should be highlighted to the Board.

## **23. Review of meeting**

The Chair invited those present to comment on the standard of the papers submitted and on the meeting itself. The feedback was positive.

## **24. Date of next meeting**

The next meeting of the Audit Committee is scheduled for 6 May 2025.

The Chair thanked everyone for attending the meeting and for their participation.



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# Minutes

Audit Committee

Tuesday 6 May 2025 10.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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## Present:

Patrick Bartlett (Chair)  
Jackie Mann  
Jo Armstrong

## Apologies:

Jillian So, Alexander Sloan

## In attendance:

Colin Crosby, Chair, Audit Scotland Board  
Stephen Boyle, Accountable Officer and Auditor General for Scotland  
Catherine MacLean, Boardroom Apprentice  
Vicki Bibby, Chief Operating Officer  
John Cornett, Executive Director Audit Services  
Graeme Forrester, Head of Performance and Corporate Governance  
Stuart Dennis, Corporate Finance Manager  
Susan Burgess, Head of Human Resources  
Owen Smith, Director of Audit Quality and Appointments  
Paul O'Brien, Director of Quality and Support  
Parminder Singh, Manager  
Jennifer Doolan, Senior Auditor  
Gill Miller, Senior Manager  
Jonny Steen, Head of Quality  
Stephen Pringle, wbg  
Graham Gillespie, wbg  
David Jeffcoat, Alexander & Sloan  
Niki Ross (Minutes)

## 1. Private meeting with Internal Auditors (wbg) and External Auditors (Alexander Sloan)

A private meeting was held with the Audit Committee members, internal auditors, Wbg, and external auditors, Alexander Sloan.

## 2. Welcome and apologies

The Chair opened the meeting, welcomed everyone, and noted there were no issues arising from the private meeting.

### **3. Declarations of interest**

There were no declarations of interest.

### **4. Minutes of the last meeting: 4 March 2025**

The Audit Committee reviewed and agreed the minutes of the 4 March 2025 meeting, copies of which had been previously circulated.

### **5. Review of action tracker**

The Audit Committee reviewed and noted the action tracker, copies of which had been previously circulated.

### **6. 2025/26 Internal Audit Plan: verbal update**

Graeme Gillespie, Wbg, provided an update on the 2025/26 Internal Audit Plan. A draft plan has been prepared which is due for review this week. There are six proposed topics: budget and financial reporting, artificial intelligence, cyber security, contract management, cash flow and risk management. The plan will be submitted to Audit Committee for approval on 3 June 2025, along with detail of other areas of work which had been considered for inclusion in the plan. The Audit Committee emphasised the importance of completing the outstanding actions, as planned, by the end of June 2025.

### **7. 2024/25 Internal Audit: Progress report**

Graham Gillespie, Wbg, introduced the internal audit progress report 2024/25, copies of which had been previously circulated.

Graham confirmed that all audits were completed for the year, with the final two reports included on the agenda for discussion at this meeting.

### **8. Internal Audit: Follow up report**

Graham Gillespie, Wbg, introduced the Internal Audit: Follow up report, copies of which had been previously circulated.

Graham advised that a substantial level of assurance was provided on Audit Scotland's implementation of outstanding internal audit recommendations. Four of the nine recommendations have been fully implemented, with four recommendations being partially implemented and one being superseded.

During discussion, members reflected on cyber incidents and their potential impact on the organisation, noting that Digital Services will be

undertaking a cyber simulation exercise shortly with the Executive Team. The Committee also noted that one post within the Digital team remains vacant, and that further information will be provided at the next Audit Committee meeting on recruitment activity.

Members sought further information on the superseded recommendation on budget holder training, noting that a survey exercise has been undertaken with budget holders to assess training needs and that results will be shared with the Executive Team.

Following discussion, the Audit Committee was content to note the report.

## **9. Internal Audit: Learning and Development report**

Stephen Pringle, Wbg, introduced the Internal Audit: Learning and Development report, copies of which had been previously circulated.

Stephen advised that a Strong level of assurance was provided with several points of good practice, and three low grade recommendations, two of which have been completed.

During discussion, members sought understanding on how learning and development objectives are managed and monitored, and noted that the new Your Performance and Development (YPAD) approach offers a more rigorous process.

Following discussion, the Audit Committee was content to note the report.

## **10. 2024/25 Annual assurance reports**

Graeme Forrester, introduced the 2024/25 annual assurance reports, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the suite of reports set out in the tables.

### Annual review of performance management arrangements

Graeme Forrester introduced the annual review of performance management arrangements, copies of which had been previously circulated.

The Audit Committee is invited to:

- Note the performance management arrangements in place.
- Note the ongoing and planned performance management developments in 2025/26.

During discussion, members noted that an update on Audit Scotland's Best Value self-assessment action plan will be presented to Audit Committee on 2 September 2025.

Following discussion, the Audit Committee was content to note the report.

#### Annual report on data protection and data incidents / loss

Graeme Forrester introduced the annual report on data protection and data incidents / loss, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the report.

During discussion, members noted that the auto-complete function in Microsoft Outlook will no longer be available in Windows 10 and 11. Internal communications have been sent to staff, emphasising the risk in this area and the need to exercise additional caution when sending emails.

Further discussion focused on data breaches and whether any patterns can be identified. Members noted that the Corporate Governance Team captures lessons learned to raise staff awareness and drive continuous improvement.

Following discussion, the Audit Committee was content to note the report.

#### Annual report on hospitality and gifts

Graeme Forrester introduced the annual report on hospitality and gifts, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the report.

During discussion, members noted the arrangements in place for registering offers of hospitality and gifts from external organisations and suppliers, noting that occasions when hospitality may be offered form only a small part of the extensive external engagement undertaken by the organisation.

Following discussion, the Audit Committee was content to note the report.

**Action:** Graeme to share the engagement register with the Audit Committee.

#### Annual report on bribery and fraud 2024/25

Graeme Forrester introduced the annual report on bribery and fraud, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the report.

During discussion, members noted that no instances of fraud or bribery have been reported. Stringent measures are in place, including all staff completing the 'Fit and Proper' process and undergoing mandatory ethics training. Additionally, Audit Scotland participates in the National Fraud Initiative with payroll matching identifying no issues of concern.

Following discussion, the Audit Committee was content to note the report.

## **11. 2024/25 Annual report on whistleblowing**

Graeme Forrester introduced the annual report on whistleblowing, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the report.

Following discussion, noting that no internal whistleblowing disclosures had been made during the year, and that Audit Scotland's functions as a 'prescribed person' under public interest disclosure legislation will be the subject of a separate report to the Committee, the Audit Committee was content to note the report.

## **12. Review of risk register**

Graeme Forrester introduced the review of the risk register, copies of which had been previously circulated.

The Audit Committee was invited to:

- Consider the risk register.
- Determine whether additional management action is required.

During discussion, members focused on the 'red' risk associated with cyber security and inquired about how assurance can be provided to both the Board and the Audit Committee, especially in light of recent significant events affecting other organisations. Members agreed that significant focus should be on our recovery capabilities following a cyber-attack and the measures and actions we have in place to mitigate this risk.

Following discussion, the Audit Committee considered the risk register and noted that the Risk Management Framework is currently being reviewed and will be reported at the Audit Committee meeting on 2 September 2025.

**Action:** Graeme to look at expediting the deep dive session on 'managing the impacts on staff from organisational change' to take place at the earliest opportunity.

### 13. Review of Audit Committee effectiveness

Graeme Forrester provided an update of the review of the effectiveness of the Audit Committee, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the self-evaluation findings and the positive assurance on the effectiveness of the Audit Committee.
- Agree that the assessment informs the Chair's annual report to the Board.
- Discuss the issues arising / potential development areas from the evaluation and agree the next steps.

During discussion, members noted the positive assurance regarding the Audit Committee's effectiveness. They highlighted that key areas for further discussion include the interactions and communication between the Board and the Audit Committee, as well as training and development.

Further discussion highlighted the depth of skills, capabilities, and knowledge, with members satisfied that the Committee is functioning effectively and that there is a good level of rigor and dialogue.

Members noted that the Audit Committee plays a crucial role in providing assurance to the Board, albeit membership and attendance at the Committee is made up of the Board members. It was recognised that detailed discussions take place at the Audit Committee which informs consideration at the Board, and that this process supports strong governance. In addition, the Audit Committee is attended by both Audit Scotland's internal and external auditors who have the opportunity to raise concerns as and when appropriate.

Following discussion, the Audit Committee was content to note the report and agreed the next steps.

**Action:** The Chair of the Board and the Chair of the Audit Committee will discuss the terms of reference for both committees to ensure appropriate division of scope and responsibilities.

#### **14. Annual review of counter fraud policy**

Susan Burgess joined the meeting.

Susan Burgess introduced the annual review of the counter fraud policy, copies of which had been previously circulated.

The Audit Committee was invited to:

- Consider the changes proposed in the policy attached.
- Note the report and consultation undertaken.
- Approve the revised policy.

Following discussion, the Audit Committee approved the revised policy.

Susan Burgess left the meeting.

#### **15. Any other business**

There were no other items of business.

#### **16. Review of meeting**

The Chair invited those present to comment on the standard of the papers submitted and on the meeting itself. The feedback was positive.

#### **17. Date of next meeting**

The next meeting of the Audit Committee is scheduled for 3 June 2025.

The Chair thanked everyone for attending the meeting and for their participation.

# Minutes

## Audit Committee

Tuesday 3 June 2025 10.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### **Present:**

Patrick Bartlett (Chair)  
Jackie Mann

### **Apologies:**

Jo Armstrong

### **In attendance:**

Colin Crosby, Chair, Audit Scotland Board  
Stephen Boyle, Accountable Officer and Auditor General for Scotland  
Catherine MacLean, Boardroom Apprentice  
Vicki Bibby, Chief Operating Officer  
Fiona McKie, Director of Corporate Services  
Graeme Forrester, Head of Performance and Corporate Governance  
Stuart Dennis, Corporate Finance Manager  
Simon Ebbett, Head of Communications  
Wojciech Kuzma, Finance Business Partner  
Rebecca Smallwood, Correspondence Manager  
Andrew Dixon, Correspondence Officer  
Stephen Pringle, Wbg  
Graham Gillespie, Wbg  
David Jeffcoat, Alexander Sloan  
Jillian So, Alexander Sloan  
Niki Ross (Minutes)

## **1. Private meeting with Internal Auditors (Wbg) and External Auditors (Alexander Sloan)**

A private meeting was held with the Audit Committee members, internal auditors, Wbg, and external auditors, Alexander Sloan.

## **2. Welcome and apologies**

The Chair opened the meeting, welcomed everyone, and noted there were no issues arising from the private meeting.



### **3. Declarations of interest**

There were no declarations of interest.

### **4. Minutes of the last meeting: 6 May 2025**

The Audit Committee reviewed and agreed the minutes of the 6 May 2025 meeting, copies of which had been previously circulated.

### **5. Review of action tracker**

The Audit Committee reviewed and noted the action tracker, copies of which had been previously circulated.

### **6. 2025/26 Internal Audit Plan**

Graeme Gillespie, Wbg, provided an update on the 2025/26 Internal Audit Plan.

Graeme advised members on the new Public Sector Internal Audit Standards, highlighting that the most significant change is the introduction of root cause analysis, requiring more detailed information to support audit recommendations. He also confirmed that Wbg could deliver a short presentation on the new standards at the September Audit Committee meeting, which the Committee welcomed.

Graeme outlined the proposed audit areas, noting that other areas such as payroll, health and safety, and recruitment and retention had also been considered.

Graeme confirmed that Wbg will carry out an internal quality review to ensure compliance with the new standards. The results will be reported to the Chair of the Audit Committee in December 2025 and included in the 2025/26 Annual Report to the Audit Committee in 2026. The Committee requested that the September presentation also cover Wbg compliance with the new standards.

Graeme assured members that risk is a key factor in planning the internal audit annual report drawing on both Audit Scotland's risk register and emerging risks identified across other organisations. He also noted that a review of the revised Risk Management Framework will assist in ensuring alignment with good practice.

Following discussion, the Audit Committee noted the internal audit annual report 2025/26, and thanked Stephen and Graham for their work.

### **7. 2024/25 Internal Audit: Annual Report**

Graham Gillespie, Wbg, introduced the Internal Audit Annual Report, copies of which had been previously circulated.

Graeme confirmed that all internal audit work undertaken for the year has been completed and that all KPIs have been fully met.

The Audit Committee welcomed the positive report and noted the strong, clear Internal Audit opinion that Audit Scotland has effective arrangements in place, with no significant weaknesses identified in its risk management, control or governance processes.

## **8. Internal Audit Recommendations Report**

Graeme Forrester introduced the Internal Audit Recommendations Report, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the progress on the implementation of outstanding audit recommendations.

During discussion, members questioned Audit Scotland's resilience in the event of a cyber incident, particularly regarding contingency plans if key personnel are unavailable. It was noted that this issue could be further explored during the upcoming cyber-attack simulation exercise on 16 June 2025.

Following discussion, the Audit Committee noted the progress on the implementation of outstanding audit recommendations.

## **9. Letter of Representation and Audit Summary Report for the year ended 31 March 2025**

David Jeffcoat, Alexander Sloan, introduced the Letter of Representation and Audit Summary Report, copies of which had been previously circulated.

David advised that the draft Audit Summary Report notes that Audit Scotland will receive an unmodified audit report with no disclosure errors. This is on the assumption of disclosure information from the Principal Civil Service Pension Scheme (PCSPS) regarding the Auditor General's pension before the Accounts are signed.

Following discussion, the Audit Committee was content to note the report and recommend the Letter of Representation to the Board.

## **10. 2024/25 Governance Statement and Certificate of Assurance**

Graeme Forrester, introduced the 2024/25 Governance Statement and Certificate of Assurance, copies of which had been previously circulated.

The Audit Committee was invited to:

- Consider the certificates of assurance.
- Determine whether to raise any issues which should be drawn to the attention of the Audit Scotland Board at its meeting on 3 June 2025 with the Annual Accounts and governance statements.

During discussion, the Audit Committee observed that no major areas for control improvements were identified.

Following discussion, the Audit Committee was content to approve the report to the Board.

## **11. Draft Annual Report and Accounts**

Simon Ebbett and Stuart Dennis joined the meeting.

Simon Ebbett and Stuart Dennis introduced the draft Annual Report and Accounts, copies of which had been previously circulated.

The Audit Committee was asked to:

- Recommend the draft Annual report and accounts for the year ended 31 March 2025 to the Board subject to receipt of the outstanding pension disclosure information.

During discussion, the Audit Committee noted that disclosure information from the Principal Civil Service Pension Scheme regarding the Auditor General's pension is still pending. This information is required for the Accountable Officer to finalise and sign off on the Accounts by 9 June 2025.

Further discussion addressed salary details in the report for the Executive Team, highlighting timing issues that impact on the presentation of pension information. Members noted the need to anticipate potential questions from the SCPA regarding these disclosures.

The Audit Committee acknowledged progress in this iteration of the Annual Report and Accounts, with members agreeing that viewing tracked amendments would be beneficial for future meetings.

Following discussion, the Audit Committee, subject to the amendments discussed and the outstanding pensions disclosure, was content to recommend the draft report to the Board.

It was noted that further steps to approve updates to the report and accounts would be discussed at the Board.

Simon Ebbett left the meeting.

## 12. Quarter 4 Financial Performance Report

Wojciech Kuzma joined the meeting.

Stuart Dennis introduced the Quarter 4 Financial Performance Report, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the audited financial results for the twelve months to 31 March 2025.

During discussion, the Audit Committee welcomed the good result and thanked the team for all their hard work.

Further discussion was on the additional costs which was paid to Firms to enable them to sign off 2022/23 audit work. Members agreed it would be valuable to have a comparative perspective by reviewing the equivalent figures for Audit Scotland.

Following discussion, the Audit Committee noted the report and expressed their sincere thanks to Stuart for his significant contributions and support over the years, as this was his final meeting with the Audit Committee.

**Action:** Stuart to provide the Audit Committee with comparative additional costs for Audit Scotland.

Wojciech Kuzma left the meeting.

## 13. 2024/25 Correspondence and Whistleblowing Annual Report

Rebecca Smallwood and Andrew Dixon joined the meeting.

Rebecca Smallwood provided an update the annual report on Correspondence and Whistleblowing, copies of which had been previously circulated.

The Audit Committee was invited to:

- Note the contents of the 2024/25 Annual Report on Correspondence and Whistleblowing. This report will be published on our website on 11 June 2025.

During discussion, the Audit Committee noted increases in certain areas of correspondence, which can be particularly time-consuming for the team due to the growing complexity of some cases. Members acknowledged that the team is collaborating with the Digital Services Team to enhance the current IT system, with a view to improving data capture and identifying potential areas for further development.

Further discussion was on the scope of our powers in responding to whistleblowing concerns and the expectations surrounding this. Members acknowledged that, while we aim to signpost individuals to the appropriate channels wherever possible, we are unable to forward concerns directly to other relevant bodies.

Following discussion, the Audit Committee was content to note the report ahead of it being published on our website on 11 June 2025.

Rebecca Smallwood and Andrew Dixon left the meeting.

#### **14. 2024-25 Annual Report from the Chair of the Audit Committee to the Board**

The Chair of the Audit Committee introduced the annual report from the Chair of the Audit Committee to the Board, copies of which had been previously circulated.

The Audit Committee was invited to:

- Consider the draft report.
- Subject to any amendments, approve its submission to the Board.

The Audit Committee was satisfied with the report and agreed it provided a comprehensive summary of the committee's work in 2024/25, noting that the paragraphs on audit quality would be updated to reflect ongoing work.

The Audit Committee noted the Annual report from the Chair of the Audit Committee and approved its submission to the Board.

#### **15. Review of Risk Register**

Graeme Forrester introduced the Review of Risk Register report, copies of which had been previously circulated.

The Audit Committee was invited to:

- Consider the risk register.
- Note the ongoing review of the Risk Management Framework.

During discussion, the Audit Committee welcomed the successful transition to the ISO27001/2022 standard and thanked the team for all their work on this.

The Audit Committee noted the risk register remains relatively static, raising concerns about potential complacency. Members agreed the upcoming review of the risk framework should help sharpen focus on key risks and ensure critical actions are clearly identified, managed and monitored.

Following discussion, the Audit Committee welcomed the discussion and noted the ongoing review of the risk register and look forward to seeing the new Risk Management Framework and Risk Register at September's Audit Committee.

**Action:** Graeme to provide an update to the Audit Committee on the cyber security independent penetration testing and investment in hardware and software.

## **16. Any other business**

There were no other items of business.

## **17. Review of meeting**

The Chair invited those present to comment on the standard of the papers submitted and on the meeting itself. The feedback was positive.

## **18. Date of next meeting**

The next meeting of the Audit Committee is scheduled for 2 September 2025.

The Chair thanked everyone for attending the meeting and for their participation.