

Minutes

Executive Team

Tuesday 14 January 2025 10.00 – 12.30

Edinburgh MS Teams

Present:

Vicki Bibby (Chair)
John Cornett
Stephen Boyle
Alison Cumming
Helena Gray
Niki Ross (Minutes)

Apologies:

Kenny Oliver

In attendance:

Stuart Dennis, Corporate Finance Manager, Corporate Services
Gemma Diamond, Director of Innovation and Transformation, Innovation and Quality
Morag Campsie, Head of Digital Audit, Innovation and Quality
Bobby Alikhani, Project Manager, Innovation and Quality
Owen Smith, Director of Audit Quality and Appointments, Corporate Services
John Gilchrist, Manager Audit Quality and Appointments, Corporate Services
Susan Burgess, Head of Human Resources, Corporate Services
Sarah Watters, Secretary to the Accounts Commission
Kirsty Gibbins, Communications Adviser, Corporate Services
Gill Miller, Senior Manager, Innovation and Quality
Paul O'Brien, Director of Quality and Support, Innovation and Quality

1. Minutes of meeting on 17 December 2024

The draft minutes dated 17 December 2024 and the confidential draft minutes of the 17 December 2024 were considered. The Executive Team agreed that these were an accurate record of the meeting.

2. Note of Executive Team strategic session on 20 January 2025

The Executive Team discussed charging audited bodies a statutory reporting fee and how the fee would be determined. They also considered how to handle potential challenges from audited bodies.

Further discussion focussed on local auditors' requirements for identifying and investigating statutory report issues and the potential impact of statutory reporting fees on decisions. They agreed each report is unique, and annual audit work may not always suffice for statutory reporting. Determining if this is a quality issue and the appropriate action is challenging.

Executive Team agreed:

- AS will charge audited bodies a statutory reporting fee based on set principles, with final decisions made case-by-case by the AGS or CoA.
- Clear communication with audited bodies about fees is essential.
- PABV costs are excluded for now and firms' fees must be pre-agreed with PABV.
- Non-chargeable audit costs and in the circumstances when we decide not to charge an audited body:
 - Will be absorbed into the ASG budget.
 - Firms' fees will be paid from the PABV Legal and Professional Fees budget.
 - ET will monitor statutory reporting costs.
- Guidance not to be issued until the Board has considered the fee proposals.
- PABV colleagues should consult with AQA if they have concerns about local audit work.
- Fees should not influence auditors' statutory reporting decisions.

Gill Miller to take forward a number of actions from this discussion.

3. SCPA report on budget submission

Stuart Dennis joined the meeting

During discussion, the Executive Team thanked the team for the excellent session that took place with the SCPA in December 2024.

Further discussion included the Executive Team noting that we have submitted a response letter to the SCPA outlining our budget approach which covers national insurance, fees, longer term planning and audit modernisation. Although we are awaiting a reply from the SCPA, members agreed that Vicki Bibby will seek an update from the Parliament Clerks. This will allow us to issue our fee letter promptly, followed by our invoices by the end of January.

4. Confidential item

This item was subject to a separate confidential minute.

5. 2023-24 Annual procurement report

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

The Executive Team was invited to:

- Approves the submission of the 2023-24 Annual Procurement Report to the Board on 28 January 2025.

During discussion, the Executive Team welcomed our first annual procurement report noting that it is an easy and very interesting read.

Further discussion focussed on the publication of the report, with the Executive Team acknowledging that the decision to publish rests with us, as we currently don't fall within the conditions requiring publication. They also considered the recommendation of presenting the report at the Board meeting on 28 January 2025 and agreed that the preferred approach would be to submit it to the Audit Committee on 4 March 2025 and then for noting at the April Board meeting.

Following discussion, the Executive Team agreed that the report be finalised and circulated by correspondence ahead of submitting it to the Audit Committee on the 4 March 2025.

Action: Stuart will finalise the report and circulate by correspondence.

Stuart Dennis left the meeting.

6. Audit Modernisation Project update

Gemma Diamond, Morag Campsie and Bobby Alikhani joined the meeting.

Gemma Diamond introduced the Audit Modernisation Project update, copies of which had been circulated previously.

Executive Team was invited to:

- Note the recommendations from the Gate 2 Independent Assurance Review.
- Review and approve the latest version of the Outline Business Case (OBC), ahead of formal submission to the Audit Scotland Board meeting on 28 January 2025, focusing on the updated paragraphs 76-80, 163-165 and 221.

During discussion, the Executive Team thanked the team for a good, detailed report and noted the positive direction of travel.

Further discussion was on our approach to benefits and how we can measure and evidence improvements. Members noted that this evaluation relies on available management information, professional judgement and understanding and recognised that ongoing work is being made to further identify and develop measurable improvements.

The Executive Team considered the level of detail in the paper for presenting to the Board on 28 January 2025 and agreed to keep it concise and focused. Members also agreed that it would be beneficial to offer a catch-up session with the new Board member prior to the upcoming Board meeting.

Following discussion, the Executive Team noted the recommendations and approved the OBC ahead of formal submission to the Board meeting on 28 January 2025.

Action: Gemma to coordinate a session with the Executive Team focussing on the approach taken and the assumptions used to support the proposed benefits.

Action: Gemma/Vicki to discuss meeting with the new Board member ahead of the Board meeting on 28 January 2025.

Gemma Diamond, Morag Campsie and Bobby Alikhani left the meeting.

7. Draft 2024-25 fee letter

Owen Smith, John Gilchrist, Paul O'Brien and Gill Miller joined the meeting.

Owen Smith introduced the 2024-25 fee letter, copies of which had been circulated previously.

Executive Team was invited to:

- Consider and comment on the draft 24/25 fee letter.
- Consider and comment on the updated 'Our Approach to setting audit fees'.
- Agree next steps for issuing fee letters and guidance.

During discussion, the Executive Team thanked the team for a clear and helpful report.

Further discussion was on when to issue the fee letter, before receiving a response from the SCPA on our budget position. Members agreed that to proceed with sending the letter in January, we include a statement indicating adjustments may be necessary.

Following discussion, the Executive Team agreed, subject to the changes discussed, that Vicki Bibby will sign-off on the final fee letter.

8. Additional fees quarterly report

Owen Smith introduced the additional fees quarterly report, copies of which had been circulated previously.

Executive Team was invited to:

- Note the level of additional fees requested and approved for 2022/23 and 2023/24 audits.

During discussion, the Executive Team thanked the team for a helpful and interesting report

Further discussion was on additional fees for non-chargeable central government audits, noting that our budget does not include funding provision for this. Members agreed that any additional fees incurred in this way should be transparently reported and continue to be included in this report.

Following discussion, the Executive Team noted the report.

Action: Owen and Graeme to look at incorporating the additional fees report into the corporate performance quarterly reporting cycle.

Owen Smith, John Gilchrist, Paul O'Brien and Gill Miller left the meeting.

9. Terms of Reference for Executive Team and Recruitment and Selection Policy

Susan Burgess joined the meeting.

Susan Burgess introduced the Executive Team's Terms of Reference and the Recruitment and Selection policy, copies of which had been circulated previously.

Executive Team was invited to:

- Approve the updated Executive Team terms of Reference (which includes the TOR for the Recruitment Board (Appendix 1).
- Approve the communication plan on the Recruitment Board (Appendix 2).
- Agree the updated Recruitment and Selection Policy (Appendix 3).

During discussion, the Executive Team considered the extension to the appointable window and agreed that for candidates on Bands 1 and 2 this would be 12 months and for candidates on Band 3 and above it would be six months.

Following discussion, the Executive Team approved the reports.

Susan Burgess left the meeting.

10. Draft Board agenda: 28 January 2025

Executive Team reviewed and noted the proposed agenda for the meeting of the Board on 28 January 2025 with the following changes:

- Remove Statutory reporting; schedule as a placeholder for the April Board meeting.
- Remove Annual procurement report; reschedule for the April Board meeting.

11. Draft Accounts Commission agenda: 6 February 2025

Sarah Watters joined the meeting.

Executive Team reviewed and noted the proposed agenda for the meeting of the Accounts Commission on 6 February 2025.

Sarah Watters left the meeting.

12. Draft Executive Team agenda: 27 January 2025

Executive Team reviewed and noted the proposed agenda for the meeting of the Executive Team on 27 January 2025 with the following change:

- Remove CSG scope. This will be re-scheduled to a later date.

13. Any other business

There was no other business.

14. Review of meeting

Executive Team reflected on the discussions during the meeting.

15. Executive Team Communications

Kirsty Gibbins joined the meeting.

Executive Team reflected on the discussion during the meeting and agreed on the key highlights for internal communication:

Kirsty Gibbins left the meeting

16. Date of next meeting

The next meeting of the Executive Team will take place on 27 January 2025 at 10.00am in Edinburgh.

Minutes

Executive Team

Monday 27 January 2025 10.00 – 12.30

Edinburgh MS Teams

Present:

Vicki Bibby (Chair)
John Cornett
Kenny Oliver
Stephen Boyle
Alison Cumming
Helena Gray (Joined from item 4)
Niki Ross (Minutes)

Apologies:

In attendance:

Martin Walker, Director of Corporate Services, Corporate Services
Mark MacPherson, Audit Director, Performance and Best Value
Nicola Bryson, Executive Officer, Corporate Services
Derek Hoy, Senior Manager, Performance and Best Value
Simon Ebbett, Head of Communications, Corporate Services
Robert Cumming, PA Advocacy
Paul O'Brien, Director of Quality and Support, Innovation and Quality
Kirsty Gibbins, Communications Adviser, Corporate Services

1. Minutes of meeting on 14 January 2025

The draft minutes dated 14 January 2025 and the confidential draft minutes of the 14 January 2025 were considered. The Executive Team agreed that these were an accurate record of the meeting, subject to minor amendments.

In terms of correspondence, we are awaiting a response from Owen Smith concerning the queries raised by the Executive Team about the Audit delivery update report.

2. Note of Executive Team strategic session on 20 January 2025

The draft note of the Executive Team strategic session dated 20 January 2025 was considered. The Executive Team agreed that this was an accurate record of the meeting.

3. Parliamentary engagement update and 2024 MSP survey

Mark MacPherson, Nicola Bryson and Derek Hoy joined the meeting.

[Parliamentary engagement update](#)

Mark MacPherson introduced the Parliamentary engagement update, copies of which had been previously circulated.

The Executive Team was invited to:

- Note the update on parliamentary engagement.
- Note committee engagement activity and indicate whether there are any committees where ET thinks we might wish to increase our engagement.
- Note recent engagement on Key Lines of Enquiry for the PAC.
- Note plans for engagement over the next six months.
- Consider the MSP survey results (Paper 1B).

The Executive Team thanked the team for the well-prepared report, which demonstrates robust parliamentary engagement and confirms our credible reach across parliament.

During discussion, the Executive Team recognised that parliamentary engagement could extend beyond our formal process and agreed that it would be beneficial to capture this activity as part of the process.

The Executive Team agreed that, in preparation for the next Parliament session and the new PAC in 2026, it would be beneficial to review our current model and to also consider ways to raise awareness of our work among the new intake of MSPs.

Following discussion, the Executive Team were content to note the report.

Action: Simon/Nic to review our current model and explore ways to raise awareness of our work with new MSPs.

Simon Ebbett and Robert Cumming joined the meeting.

2024 MSP survey

Simon Ebbett introduced the 2024 MSP survey, copies of which had been previously circulated.

The Executive Team was invited to:

- Consider the results of the survey for any relationship development required.
- Consider whether to conduct the survey this year as we move into the final months of the current Parliament.

The Executive Team thanked the team for a very interesting and informative report with many positive messages.

Further discussion was on how we communicate the findings to the Board and the wider organisation.

Following discussion, the Executive Team noted the results.

Action: Simon to develop a timeline to communicate the results and share with the Executive Team.

Mark MacPherson, Nicola Bryson, Derek Hoy, Simon Ebbett and Robert Cumming left the meeting.

4. Response to Ministry of Housing, Communities and Local Government (MHCLG) Proposals on local audit reform

Paul O'Brien joined the meeting.

Paul O'Brien introduced the draft response the MHCLG on local audit reform, copies of which had been previously circulated.

The Executive Team was invited to:

- Agree the Audit Scotland response as set out in Appendix 1 to this paper.

The Executive Team thanked Paul for pulling together an excellent response in such a short timescale.

During discussion, the Executive Team agreed that it would be helpful to understand the next steps and the associated timelines, to identify any actions we could take.

Further discussion focused on the proposal to transfer responsibility for the accounting code, with the Executive Team noting that the specifics are yet to be confirmed.

Following discussion, the Executive Team agreed the Audit Scotland response.

5. Draft Executive Team agenda: 3 February 2025

The Executive Team reviewed and noted the proposed agenda for the meeting of the Executive Team on 3 February 2025 and requested a verbal update on the future of corporate performance reporting.

6. Executive Team action tracker

The Executive Team requested that a further update is brought to the Executive Team meeting on 3 February 2025.

7. Any other business

There was no other business.

8. Review of meeting

The Executive Team reflected on the discussions during the meeting.

9. Executive Team Communications

Kirsty Gibbins joined the meeting.

Executive Team reflected on the discussion during the meeting and agreed on the key highlights for internal communication:

Kirsty Gibbins left the meeting

10. Date of next meeting

The next meeting of the Executive Team will take place on 3 February 2025 at 10.00am in Edinburgh.