

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.

Minutes

Executive Team

Monday 3 February 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:

No apologies

In attendance:

Martin Walker, Director of Corporate Services, Corporate Services
Graeme Forrester, Head of Performance & Corporate Governance, Corporate Services
Owen Smith, Director of Audit Quality & Appointments, Corporate Services
Kirsty Gibbins, Communications Adviser, Corporate Services

1. Minutes of meeting on 27 January 2025

The draft minutes dated 27 January 2025 were considered. The Executive Team agreed that these were an accurate record of the meeting, subject to minor amendments.

Executive Team noted the following reports for approval: Audit delivery update report and the Scottish Government's consultation: response on Equality & Human Rights Main streaming strategy.

2. Confidential minutes of Extraordinary Recruitment Board meeting on 27 January 2025

The draft minutes dated 27 January 2025 were considered. The Executive Team agreed that these were an accurate record of the meeting.

3. Review of risk management framework

Graeme Forrester joined the meeting.

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

The Executive Team was invited to:

- Note the review of the RMF.

- Advise of any suggested revisions to the proposed RMF.

During discussion, the Executive Team agreed that more detail be added to the report to strengthen content. Members also agreed that the Accounts Commission risk register should be reflected, given its strong interdependencies with the Audit Scotland risk register.

Further discussion focused on whether we had used the Treasury Orange Book as a guide for considering our risks and if our risk register captures all necessary elements. Additionally, the Executive Team evaluated the risk scores and their methodology, seeking clarification on the process used. Members also agreed that we should think about aiming for a range of risk scores rather than an absolute value.

The discussion highlighted that the risk universe appears to be more internally focused. The Executive Team agreed that various external factors also influence our organisation and that it would be beneficial to map these into the risk universe

Following discussion, the Executive Team agreed that we would recommend that the Audit Committee approve the RMF and note the activities that are currently taking place.

Action: Graeme will review the risk management framework, ensuring Treasury Orange Book principles are captured, evaluating scoring methodology, assessing risk appetite, and reviewing implementation dates.

Action: Graeme will identify options for an external independent review of our risk maturity.

Action: Graeme will undertake a review of other similar bodies risk registers.

4. Review of risk register

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

The Executive Team was invited to:

- Consider the updated risk register.
- Determine whether additional management action is required.
- Consider reduce the risk score for risk A3 – failure of delivery – to 12.
- Agree presentation of the risk register to the Audit Committee on 4th March 2025.

During discussion, the Executive Team agreed to reflect the Future Public Audit Model in the report due to its strong interdependencies with other projects. However, it will not be listed as a risk until the PID is in place, which will be presented to the Strategic Improvement Programme Board in March 2025.

Further discussion focused on individual risks and their evolution, highlighting the need to update the risk register accordingly. The Executive Team questioned why some risks continuously roll forward and considered whether a different approach is needed to address this. In addition, the Executive Team discussed their governance role in managing risks, agreeing that the risk register is effective only if it drives actions and identifies necessary interventions.

Following discussion, the Executive Team agreed the report is submitted to the Audit Committee on 4 March 2025, subject to the amendments discussed.

5. 2025-26 Schedule of deep dives

Graeme introduced the Schedule of deep dives for 2025-26, copies of which had been previously circulated.

The Executive Team was invited to:

- Note the criteria used in developing the draft schedule.
- Discuss the proposed deep dive schedule for 2025/26 at paragraph 18.

During discussion, the Executive Team noted that additional topic areas are being considered prior to submitting the schedule to the Audit Committee on 4 March 2025. In addition, these topic areas will address not only identified risks but also business areas that are under development or scrutiny.

Further discussion highlighted the Audit Scotland Board's interest in having more in-depth strategic discussions on topics such as the Audit Modernisation Project outside of regular Board meetings. These sessions will differ from the deep dive sessions.

Following discussion, the Executive Team acknowledged the proposed deep dive schedule and agreed to consider additional topic areas before the Audit Committee meeting on 4 March 2025

Action: Graeme will share his topic ideas with the Executive Team and invite them to contribute their own suggestions.

Action: Graeme and Vicki will clarify the distinctions between a strategic session and a deep dive session and consider what these differences mean for upcoming plans.

6. Risk deep dive: failure of market capacity / appetite for public audit work from the private sector (future appointments)

Owen Smith joined the meeting.

Graeme introduced the Risk deep dive, copies of which had been previously circulated.

The Executive Team was invited to:

- Discuss the risk deep dive.
- Agree that, subject to any amendments, it be presented to a deep dive session of the Audit Committee 4 March 2025.

During discussion, the Executive Team agreed that the Future Public Audit Model has strong interdependencies with this deep dive and that this should be emphasised more in the session. In addition, the Executive Team agreed that the framing should be in the context of addressing both the private sector risks on public audit profitability and also Audit Scotland's risks of not considering bids value for money and what controls we have in place in ensuring delivery and quality.

Further discussion focussed on the format of the session with the Executive Team agreeing that the slides are presented as background material to inform the discussion.

Following discussion, the Executive Team agreed, subject to the amendments discussed, it be presented to a deep dive session of the Audit Committee on 4 March 2025.

Owen Smith left the meeting.

7. 2024-25 Data incident/loss report: Quarter 3

Graeme introduced the 2024-25 Data incident/loss report for quarter 3, copies of which had been previously circulated.

The Executive Team was invited to:

- Note this report.
- Note that it will be considered by the Audit Committee at its meeting on 04 March 2025.

During discussion, the Executive Team noted the imminent rollout of the new ID cards and lanyards. They emphasised the importance of communicating to staff the reasons behind this new look. The Executive Team noted that while colleague photographs on our internal systems are not mandatory, it should be strongly encouraged.

Further discussion focussed on the recent indirect cyber incident, with the Executive Team agreeing that the communication to update staff was effective. Additionally, a lessons learned session will be held with all those involved.

Following discussion, the Executive Team were content to note the report and that it be considered by the Audit Committee at its meeting on 4 March 2025.

8. 2024-25 Internal/external audit cooperation

Graeme introduced the 2024-25 Internal/external audit cooperation, copies of which had been previously circulated.

The Executive Team was content to note the report.

9. Internal audit recommendations progress report

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

The Executive Team was invited to:

- Note the progress on the implementation of outstanding audit recommendations.
- Agree that the report, subject to any required amendments, be submitted to the Audit Committee meeting of 04 March 2025.

During discussion, the Executive Team discussed progress and timescales on the implementation of outstanding audit recommendations.

Further discussion centered on budget training, with the Executive Team requesting confirmation that all budget holders feel equipped to manage their budgets and are comfortable with their responsibilities. Additionally, members requested that this recommendation remain open until we have a clearer understanding of the current situation.

The Executive Team noted that the business continuity plan is scheduled for approval at the Executive Team meeting on 17 February 2025. They were assured that, despite some members sending their apologies, there will be enough attendees to meet the quorum.

Following discussion, the Executive Team agreed that the report, subject to the amendments discussed, be submitted to the Audit Committee meeting of 04 March 2025.

Action: Graeme will undertake further work to determine if an assessment has been conducted on the training provision for budget management to determine if budget holders feel confident in discharging those duties.

Action: Kenny will confirm with Vicki and Graeme that the audit recommendation regarding the LMS dashboard, which is scheduled for completion by the end of March 2025, will be met.

10. Corporate performance reporting: verbal update

Graeme provided an update on refining corporate performance reporting, emphasising the need for efficient, timely, and real-time data. He proposed a dashboard that allows users to drill down to important information, with built-in flexibility to adapt to future changes.

Graeme has been engaging with colleagues from the Audit Services Group, the Resource & Management Information team, and the Audit Modernisation Project team. He is also collaborating with the NAO and meeting with the Board Chair to understand the Board's expectations on performance reporting.

During the discussion, the Executive Team emphasised the importance of aligning performance reporting with corporate priorities and key risks. They expressed a desire to shift from detailed information to a more focused set of key indicators and to determine what needs to be measured and why. Additionally, members supported a hierarchical approach to stratify information based on the needs of different groups.

The Executive Team discussed next steps and timelines, agreeing to manage this as a project to ensure timely delivery. The team also recognised their pivotal role in performance reporting and stressed the importance of their involvement in determining what is reported to the Board and the Audit Committee.

The Executive Team were content with the update and noted that a paper would be submitted to a future Executive Team meeting.

Action: Graeme will develop a project plan to send by correspondence to the Executive Team.

Action: Graeme will schedule the next update report for an upcoming Executive Team meeting.

11. Draft Executive Team agenda: 17 February 2025

The Executive Team reviewed and noted the proposed agenda for the meeting of the Executive Team on 17 February 2025.

12. Executive Team action tracker

The Executive Team reviewed and noted the action tracker.

13. Any other business

There was no other business.

14. Review of meeting

The 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 17 February 2025 at 10.00am in Edinburgh.

Minutes

Executive Team

Monday 17 February 2025 10.00 – 12.30

Edinburgh MS Teams

Present:

Vicki Bibby (Chair)
John Cornett
Alison Cumming
Niki Ross (Minutes)

Apologies:

Kenny Oliver
Helena Grey
Stephen Boyle

In attendance:

Martin Walker, Director of Corporate Services, Corporate Services
Graeme Forrester, Head of Performance & Corporate Governance, Corporate Services
Ian Metcalfe, Corporate Performance Officer, Corporate Services
Stuart Dennis, Finance Manager, Corporate Services
Susan Burgess, Head of Human Resources, Corporate Services
David Loudon, Human Resources Assistant Manager, Corporate Services
Michael Oliphant, Audit Director, Audit Services
Gemma Diamond, Director of Innovation and Transformation, Innovation and Quality
Michelle Borland, Director of Innovation and Transformation, Innovation and Quality
Jillian Matthew, Senior Manager, Performance Audit and Best Value
David Robertson, Digital Services Manager, Corporate Services
Nicola Paton, Digital Project Manager, Corporate Services
Owen Smith, Director of Audit Quality & Appointments, Corporate Services
Sarah Watters, Secretary to the Accounts Commission
Kirsty Gibbins, Communications Adviser, Corporate Services

1. Minutes of meeting on 3 February 2025

The draft minutes dated 3 February 2025 were considered. The Executive Team agreed that these were an accurate record of the meeting.

2. Quarter 3 Performance reporting

Graeme Forrester, Ian Metcalfe, Stuart Dennis, Susan Burgess, Michael Oliphant, David Loudon and Gemma Diamond joined the meeting the meeting.

Q3 Corporate performance report

Graeme Forrester introduced the Q3 Corporate performance report, copies of which had been circulated previously.

The Executive Team was invited to:

- Review the performance in Q3 as set out below and in appendix 1.
- Consider the issues affecting performance, the actions identified and whether any additional management action is required.

During discussion, the Executive Team focussed on the report's narrative highlighting the need for additional clarity and context in certain areas.

Further discussion addressed the area of recording audit and non-audit time. The Executive Team acknowledged that work is ongoing to resolve this issue. They also noted that there are inaccuracies in the time recording system, which can sometimes reflect an inaccurate balance. This issue is currently under investigating.

The Executive Team also discussed the performance on mandatory training and agreed on the importance of consistently reminding colleagues to complete the training.

Further discussion also addressed the delay in the strategic workforce plan caused by resource constraints. The Executive Team was reassured that the plan will be completed in time for the Board meeting on 1 April 2025.

The Executive Team highlighted the importance of consolidating all quarterly performance reports into one and producing a timeline to highlight and track key areas of activity.

Following discussion, the Executive Team noted the report, subject to the changes discussed.

Q3 Financial performance report

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

The Executive Team was invited to:

- Note the financial results for the nine months to 31 December 2024.

During discussion, the Executive Team noted that the holiday pay accrual is higher than budgeted and that this can potentially impact the overall budget, requiring careful management to prevent an overspend. Additionally, the Executive Team discussed the implications of this variance for future budgeting.

Following discussion, the Executive Team noted the report.

Q3 People report

Susan Burgess introduced the Q3 People report, copies of which had been circulated previously.

The Executive Team was invited to:

- Note the exit interview feedback from colleagues attached at appendix one.
- Note the report and workforce infographic attached at appendix two.
- Consider and discuss the key findings in relation to Q3's workforce data and ensure any key messages and actions are shared within business group management teams.

During discussion, the Executive Team discussed absence management and noted that we are working with other audit agencies to share best practice on absence data and wellbeing.

Further discussion was on the annual leave carry forward with the Executive Team agreeing that it would be beneficial for all business groups to review and 'clean up' their time recording data. This will ensure we are well-prepared to start using the new time recording system from day one. Members agreed that this should also be discussed at the Performance, Finance and Risk Management Group.

Following discussion, the Executive Team noted the report, subject to minor amendments.

Action: Martin to provide re-assurance that TRS data in upcoming papers due will be correct.

Graeme Forrester, Ian Metcalfe, Stuart Dennis, Susan Burgess, Michael Oliphant, David Loudon and Gemma Diamond left the meeting.

3. Confidential item

This item is subject to a separate confidential minute.

4. 2025 Annual review of business continuity arrangements

Graeme Forrester and Ian Metcalfe joined the meeting.

Graeme introduced the 2025 Annual review of business continuity arrangements, copies of which had been previously circulated.

The Executive Team 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).
- Agree that, subject to any required amendments, the Business Continuity Policy and Objectives be submitted to the Audit Committee for approval at its meeting on 4 March 2025.

During discussion, the Executive Team acknowledged that certain aspects of the Cyber Incident Response Plan remain incomplete. It was agreed that additional context should be incorporated into the annual review of business continuity arrangements report before submitting it to the Audit Committee on 4 March 2025, to provide a comprehensive overview of our business continuity arrangements and ensure consistency across all documents.

Following discussion, the Executive Team agreed that, subject to the amendments discussed, the report is submitted to the Audit Committee for approval on 4 March 2025.

Graeme Forrester and Ian Metcalfe left the meeting.

5. Digital security update

David Robertson and Nicola Paton joined the meeting.

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

The Executive Team 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, the Executive Team acknowledged the successful recruitment efforts, with the Digital Services Team now at 80% capacity. However, this shortfall still poses a risk to project delivery. The Digital Services Team is actively exploring various solutions to address this issue. Additionally, the Executive Team emphasised the need to better understand the potential risks this shortfall may pose to other projects across the organisation.

Further discussion focused on the unsuccessful system recovery exercise from January 2025. The Executive Team was reassured that a priority project is currently underway to address these issues, with a repeat exercise planned. The Executive Team requested that this context be included in the report to be submitted to the Audit Committee on 4 March 2025.

The Executive Team noted that we need to discourage colleagues from using personal and external email accounts, as these pose a significant threat to Audit Scotland's security.

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

Action: David, Nicola, and Martin will examine the connections across all reports where digital elements are prominent to identify potential risks.

Action: Vicki will discuss the issues related to using personal email addresses with the relevant colleagues.

David Robertson and Nicola Paton left the meeting.

6. Final DEI strategy and 2025 mainstreaming report sign off

Gemma Diamond, Michelle Borland and Jillian Matthew joined the meeting.

Gemma Diamond introduced the final DEI strategy and 2025 mainstreaming report, copies of which had been previously circulated.

The Executive Team was invited to:

- Note the update on DEI strategy development.
- Review and provide feedback on the draft DEI strategy and draft delivery plan.
- Review and provide feedback on the draft mainstreaming equality progress report.

During discussion, the Executive Team agreed that while the Board does not need to see the detailed delivery plan, it is essential to provide members with high-level summaries to provide assurance of progress.

Further discussion was on the importance of maintaining our ambitions for diversity and inclusion despite some external pressures. In addition, the Executive Team noted the integration of the DEI Strategy with other policies e.g. hybrid working, ensuring they are complimentary and meeting business needs.

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

Gemma Diamond, Michelle Borland and Jillian Matthew left the meeting.

7. Confidential item

This item is subject to a separate confidential minute.

8. Draft RemCo agenda: 4 March 2025

The Executive Team reviewed and noted the proposed agenda for the meeting of the RemCo on 4 March 2025.

Susan Burgess left the meeting.

9. Draft Audit Committee agenda: 4 March 2025

The Executive Team reviewed and noted the proposed agenda for the meeting of the Audit Committee on 4 March 2025.

10. Draft Accounts Commission agenda: 13 March 2025

Sarah Watters joined the meeting.

The Executive Team reviewed and noted the proposed agenda for the meeting of the Accounts Commission on 13 March 2025.

Sarah Watters left the meeting.

11. Draft Executive Team agenda: 3 March 2025

The Executive Team reviewed and noted the proposed agenda for the meeting of the Executive Team on 3 March 2025.

12. Any other business

There was no other business.

13. Review of meeting

The Executive Team reflected on the discussions during the meeting.

14. 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

15. Date of next meeting

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