

MEETING: 9 JUNE 2022

REPORT BY: SECRETARY TO THE COMMISSION

AUDIT SCOTLAND BOARD UPDATE

Purpose

1. This report provides an update on the business of the Audit Scotland Board.

Background

2. Audit Scotland is established in statute to “provide such assistance and support as the Auditor General and the Accounts Commission require in the exercise of their respective functions and, in particular, is to provide them, or ensure that they are provided, with the property, staff and services which they require for the exercise of those functions”.¹
3. Audit Scotland (i.e. its Board) consists of the Auditor General for Scotland, the Chair of the Commission, and three other members.² These three members, including a Chair, are appointed by the Scottish Commission for Public Audit.³
4. As well as being a member of Audit Scotland’s Board, the Commission Chair is also a member of its two committees, the Audit Committee and the Human Resources and Remuneration Committee.
5. In [Public Audit in Scotland](#)⁴, the Commission, the Auditor General for Scotland and Audit Scotland set out how they together deliver public audit in Scotland. They state that “by working together and each fulfilling our distinct roles, the Auditor General, the Accounts Commission and Audit Scotland will ensure a strong system of public audit works to support transparency and promote improvement in the performance of public bodies.”
6. To this end, the Commission at its meetings considers for its interest the business of Audit Scotland Board.

Current Board business

7. This report provides the Commission with the latest available minutes from the meeting of the Audit Scotland Board, in this case the meetings of 5 April 2022 and 17 May 2022. They are attached in Appendix 1 and Appendix 2.
8. The most recent meeting of the Board was on 1 June 2022, but the minutes of this meeting are not yet publicly available as they are yet to be ratified by the Board. They will be available after the next Board meeting on 28 September 2022 and considered by the Commission at its October meeting.

¹ Public Finance and Accountability (Scotland) Act 2000, Section 10(3).

² Public Finance and Accountability (Scotland) Act 2000, Section 10(2).

³ The Scottish Commission for Public Audit was established under Section 12 of the Public Finance and Accountability (Scotland) Act 2000 and is made up of 5 MSPs. Its main areas of responsibility are to (a) examine Audit Scotland’s proposals for the use of resources and expenditure and report on them to the Parliament; (b) appoint an auditor to audit the accounts of Audit Scotland; (c) lay these accounts and auditor’s report before the Parliament; and (d) appoint three of the five members of Audit Scotland’s Board, including its Chair.

⁴ *Public Audit in Scotland*, Accounts Commission, Auditor General and Audit Scotland, May 2015.

9. The Commission has agreed however that the agenda for the most recent Board meetings be provided (even if the minute is not yet available). The agenda is attached in Appendix 3. The Chair will provide a verbal update on any relevant business for members' interest and invites questions from members to this end.

Conclusion

10. The Commission is invited to consider this update for its interest and seek further information from the Chair as appropriate.

Paul Reilly
Secretary to the Commission
31 May 2022

Minutes Board



Tuesday 5 April 2022, 10.00am
Audit Scotland by Microsoft Teams

Present:

Alan Alexander (Chair)
Stephen Boyle
Colin Crosby
Jackie Mann
William Moyes

Apologies:

There were no apologies.

In attendance:

Martin Walker, Acting Director of Corporate Services
Stuart Dennis, Corporate Finance Manager
Simon Ebbett, Communications Manager
Gayle Fitzpatrick, Corporate Governance Manager
Ian Metcalfe, Corporate Governance Officer
Elaine Boyd, Associate Director, Audit Quality and Appointments
Kathrine Sibbald, Project Manager, Audit Quality and Appointments
Judith Strange, Cyan2 Limited

1. Private meeting of Board members

The Board met privately and there were no matters arising.

2. Welcome and apologies

Martin Walker, Acting Director of Corporate Services, Stuart Dennis, Corporate Finance Manager, Simon Ebbett, Communications Manager, Gayle Fitzpatrick, Corporate Governance Manager and Judith Strange, Board development facilitator, Cyan2 Limited, joined the meeting.

The Chair welcomed attendees to the meeting.

3. Declarations of interest

There were no declarations of interest.

4. Items to be taken in private

The Chair invited members to agree that the reports at items 22, 23 and 24 of the agenda be considered in private based for the reasons stated on the agenda. The members agreed.

5. Chair's report – verbal update

The Chair advised of regular meetings with Stephen Boyle, Auditor General for Scotland and Accountable Officer, with the Chair of the Accounts Commission and with Martin Walker on various corporate matters. The Chair reflected on the informal business planning session with the Scottish Commission for Public Audit on 23 February 2022 and the consensus to schedule a further discussion on Audit Scotland's corporate priorities, resources, and fees and funding model to be scheduled in late Summer 2022.

The Chair invited members to note the report at item 22 which provides an update on the lessons learned exercise agreed to be undertaken at the final meeting of the New Audit Appointments Steering Group on 22 February 2022.

The members were also invited to note the Chair's attendance at a meeting, with the Auditor General for Scotland, with the UK Public Accounts Commission held on 28 February 2022 and noted the focus of discussion was in relation to the quality of public audit.

In addition, the Chair advised of his attendance at the Audit Committee and Remuneration and Human Resources Committee meetings in March, an informal meeting with the non-executive members of the Board and advised of an informative meeting between himself, Colin Crosby and Stuart Dennis on financial matters.

Following discussion, the Board welcomed the update.

6. Accountable Officer's report – verbal update

Stephen Boyle advised of his regular engagement with the Chair and the Chair of the Accounts Commission and noted his appreciation of Board members' engagement and input to the ongoing executive recruitment campaigns.

Stephen invited members to note the level of activity in relation to publications including Covid funding for business, Social Care briefing, the National Health Service Overview and of attendance at the Public Audit Committee on these and Section 22 reports arising from 2021/22 audits.

Stephen invited members to note his external engagements, including a meeting with the Permanent Secretary to the Scottish Government and joint engagement lead for the bi-annual event with public sector non-executive directors. In addition, the members noted Stephen had joined Antony Clark, Director of Performance Audit and Best Value and Controller of Audit with Scottish Government representatives at a session on the implementation of the Christie Commission recommendations.

During discussion, the Board welcomed the extensive coverage of publications and agreed they would welcome sight of the regular communications digest prepared for Audit Scotland's Management Team.

7. Accounts Commission Chair's report – verbal update

William Moyes invited the Board to note that his onboarding programme continues.

William advised the Board of Accounts Commission reporting in relation to Orkney and Shetland Joint Valuation Board and advised of a meeting with elected members from Moray Council.

The members noted the Accounts Commission had undertaken a contingency business planning exercise and advised of ongoing engagement with the Communications Team to develop outputs and review the overall publication programme.

William provided a summary of the agenda for the Accounts Commission strategy session held on 29 and 30 March 2022.

Following discussion, the Board welcomed the update.

8. Review of minutes

Board meeting: 26 January 2022

The Board considered the minutes of the meeting of 26 January 2022, which had been previously circulated.

The Board approved the minutes as an accurate record of the meeting.

Audit Committee meeting: 10 November 2021

The Board noted the minutes of the Audit Committee meeting of 10 November 2021, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

Remuneration and Human Resources Committee meeting: 10 November 2021

(Considered in the **private section of the Board meeting**)

The Board noted the minutes of the Remuneration and Human Resources Committee meeting of 10 November 2021, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

9. Review of action tracker

The Board noted the updates provided on the action tracker.

The Chair invited the Board to note an amendment to Action ASB150 and ASB151 to reflect that both items were complete and, in relation to ASB149, Simon Ebbett would provide a verbal update under item 14 of today's agenda.

The Board welcomed the update.

10. Covid-19 update

Simon Ebbett joined the meeting.

Martin Walker introduced the Covid-19 update report, copies of which had been previously circulated.

Martin invited the Board to consider the report, the actions taken to date in response to the Covid-19 pandemic, the ongoing actions, and next steps.

The Board noted a number of positive cases confirmed by colleagues and welcomed the ongoing colleague engagement by way of Pulse Surveys, the Best Companies survey, and the ongoing programme of drop-in sessions with colleagues. Martin invited members to note that feedback from colleagues indicated that they are comfortable with, and reassured by, the Covid safe arrangements in Audit Scotland offices and with further consideration of longer-term arrangements for access to audit sites. The Board discussed the balance of the longer-term arrangements and managing expectations around the balance between attending workplaces, wellbeing, our carbon footprint, and productivity.

The Board noted the decision to stand down the separate weekly Incident Management Team meeting and welcomed the move to incorporate this as part of routine Management Team meetings with a commitment to share a communication with colleagues each week.

Following discussion, the Board welcomed the update and noted the actions taken to date in response to the Covid-19 pandemic, the ongoing actions and engagement and next steps.

Simon Ebbett left the meeting.

11. Strategic Improvement Programme update

Martin Walker introduced the Strategic Improvement Programme update report, copies of which had been previously circulated.

Martin invited the Board to note the progress reported on the Strategic Improvement Programme including key milestones for the New Audit Appointments (NAA), Building Capacity Phases 2 and 3, the go live of the new business management system and the next steps, including a review of workstreams and the overall programme in the Autumn.

During discussion, the Board noted the key milestones set out and welcomed the continued focus on quality, Audit Scotland's climate change obligations (and also noted both the Auditor General for Scotland and Accounts Commission's interest in this area) and noted that a further update on Audit Scotland's medium term financial plan was scheduled to come to the Board.

Following discussion, the Board welcomed the update and noted the progress reported together with next steps.

12. 2022/23 Operational budget

Stuart Dennis introduced the 2022/23 Operational budget report, copies of which had been previously circulated.

Stuart invited the Board to approve the 2022/23 operational budget and to note that any in-year budget adjustments will be scrutinised as part of the quarterly financial monitoring process going forward.

During discussion, the Board considered the operational budget in detail, noted the adjustment for the rent review of offices, recognised that the changes in the new audit appointments and pay award negotiations would be factored into the budget planning process. The members agreed there was a need to ensure that the management contingency is sufficient, recognising that the current level required careful management with a fully committed budget and that any increase in this for future years would need to be recovered through audit fees or Parliamentary funding.

The members noted the Accounts Commission request for engagement as the proposed budget and longer-term financial plan was developed as well as plans underway to develop the secretariat support for the Accounts Commission which may require additional funding and have implication for decisions on the allocation of funds held to meet contingencies.

Following discussion, the Board approved the 2022/23 operational budget and noted that any in-year budget adjustments will be scrutinised as part of the quarterly financial monitoring process.

13. Q3 Financial performance report

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

Stuart invited the Board to note the financial results for the nine months to 31 December 2021 which had been scrutinised by the Audit Committee at its meeting on 2 March 2022.

During discussion, the Board noted the updated work in progress levels were broadly in line with forecast.

Following discussion, the Board noted the financial results for the nine months to 31 December 2021.

14. Q3 Corporate performance report

Simon Ebbett re-joined the meeting and Ian Metcalfe joined the meeting.

Gayle Fitzpatrick introduced the Q3 Corporate performance report, copies of which had been previously circulated.

Gayle invited the Board to review the performance in quarter three and consider whether any additional management action is required.

During discussion, the Board welcomed the reformatting of the report to support Audit Scotland's accessibility obligations and the strong performance and impact reported.

In relation to the level of turnover reported, the members noted there was no sustained trend identified and in terms of the reported increase of 8.8% in audit costs noted that this is being monitored and will be reported further as part of the Q4 report. In addition, the Board welcomed the assurance around the process underpinning the quarterly review by the Performance Risk and Management Group and Management Team to ensure appropriate challenge and assessment, with an annual review of targets each year.

Simon Ebbett provided an update in relation to Action ASB149 on the action tracker and provided the Board with a summary of the impact of reporting through visits to Audit Scotland's website and downloads. Simon advised that download statistics showed a reduction of approximately 10% over the past six years and that this reflected a societal trend in how people access information, with increased social media engagement, the development of new products over that time and greater use of animations and videos which are easier to access. The members welcomed the overview and noted further development and innovation continues alongside consideration of metrics to measure impact.

Following discussion, the Board agreed a further discussion be scheduled in the Autumn.

Action ASB164: A further discussion to form part of a future Board strategic discussion. (August 2022)

15. Best Companies survey results

Martin Walker introduced the Best Companies survey results report, copies of which had been previously circulated.

Martin invited the Board to consider the high-level results presented following this year's colleague engagement survey.

During detailed discussion, the Board welcomed both the strong response rate and Audit Scotland's retention of being a 'One star organisation', which is defined as a 'Very Good' organisation to work for.

The members reflected on the overall results, key messages and engagement scores across all eight factors and welcomed the further engagement planned with the Leadership Group and within business groups, noted the proposal to develop actions to respond to some of the emerging messages and, recognising forthcoming changes to the leadership of the organisation, the value in restating organisational values and supporting wellbeing. The Board agreed a further update be scheduled.

Following discussion, the Board welcomed the overall results and the assurance that these were comparable to and consistent with other organisations as the country emerges from the pandemic.

16. Annual policy review of Freedom of Information and Environmental Information requests

Gayle Fitzpatrick introduced the Annual policy review of Freedom of Information and Environmental Information requests report, copies of which had been previously circulated.

Gayle invited the Board to approve Audit Scotland's Freedom of Information and Environmental Information Policy for a further year.

During discussion, the Board noted the proposed amendments to incorporate minor changes to operational arrangements and to comply with accessibility requirements.

Following discussion, the Board approved Audit Scotland's Freedom of Information and Environmental Information Policy for a further year.

17. Data Protection Policy

Gayle Fitzpatrick introduced the Data Protection Policy report, copies of which had been previously circulated.

Gayle invited the Board to approve the revised Data Protection Policy.

During discussion, the Board noted the minor amendments and compliance with accessibility requirements.

Following discussion, the Board approved the revised Data Protection Policy.

18. Scheme of Delegation and Management Team quorum

Martin Walker introduced the Scheme of Delegation and Management Team quorum report, copies of which had been previously circulated.

Martin invited the Board to consider the report and ratify its decision taken on 9 March 2022 via correspondence to amend the Scheme of Delegation.

Following discussion, the Board agreed to ratify its decision taken on 9 March 2022 via correspondence to amend the Scheme of Delegation.

19. Any other business

There was no other business for discussion.

20. Review of meeting

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion.

The Board noted the experience of colleagues joining the meeting virtually and received assurance of upgrades to be implemented.

The Chair thanked everyone for their contributions.

21. Date of next meeting: 17 May 2022

The members noted the next meeting of the Audit Scotland Board is scheduled for 17 May 2022.

Items taken in private

22. New Audit Appointments – Lessons learned

Elaine Boyd, Associate Director, and Kathrine Sibbald, Project Manager, Audit Quality and Appointments, joined the meeting.

The Chair introduced the New Audit Appointments – Lessons learned report, copies of which had been previously circulated.

Elaine Boyd advised of engagement with stakeholders, the nature of a complex procurement exercise and welcomed views from the Board in terms of governance, leadership and communication from the Steering Group in order to capture these as part of the lessons learned work exercise.

The Chair advised invited members to consider and share comments with the team.

During discussion, the Board noted the regular updates provided to the Board throughout the project and the substantial assurance on the project arrangements received from BDO, Audit Scotland internal auditors. In terms of the process and approach to developing the Code of Audit Practice as part of the overall project, the members agreed they would welcome consideration of a mid-cycle review of the Code. The Board also welcomed a suggestion that, in future, consideration would be given to undertaking the revision of the Code separately from the procurement exercise for private firm of auditors.

Following discussion, the Board welcomed the report.

Elaine Boyd and Kathrine Sibbald left the meeting.

23. Audit Scotland Annual Report and Accounts 2021/22

Simon Ebbett introduced the Audit Scotland Annual Report and Accounts 2021/22 report, copies of which had been previously circulated.

Simon invited the Board to approve the suggested structure and themes and note the key dates for the drafting, submission and publication of Audit Scotland's Annual report and accounts.

The Board considered the proposed structure and themes of Audit Scotland's Annual report and accounts and following discussion approved the suggested structure and themes proposed.

24. Internal audit procurement

Gayle Fitzpatrick introduced the Internal audit procurement report, copies of which had been previously circulated.

Gayle invited the Board to approve the Audit Committee's recommendation regarding the appointment of internal auditors.

The Board noted the formal recommendation of the appointment from the Audit Committee.

Following discussion, the Board approved the Audit Committee's recommendation to appoint Wylie & Bisset as Audit Scotland's internal auditors following the conclusion of the procurement exercise.

Minutes Board

Tuesday 17 May 2022, 10.00am
Audit Scotland by Microsoft Teams

Present:

Alan Alexander (Chair)
Stephen Boyle
Colin Crosby
Jackie Mann
William Moyes

Apologies:

There were no apologies.

In attendance:

Martin Walker, Acting Director of Corporate Services
Stuart Dennis, Corporate Finance Manager
Carolyn McLeod, Audit Director, Performance Audit and Best Value
Tricia Meldrum, Senior Manager, Performance Audit and Best Value
Jillian Matthew, Senior Manager, Performance Audit and Best Value
Gayle Fitzpatrick, Corporate Governance Manager
David Robertson, Digital Services Manager
Nicola Paton, Digital Project Manager, Digital Services
Susan Burgess, Assistant Human Resources Manager
Elaine Boyd, Associate Director, Audit Quality and Appointments
Kathrine Sibbald, Project Manager, Audit Quality and Appointments

1. Private meeting of Board members

The Board met privately and there were no matters arising.

2. Welcome and apologies

Martin Walker, Acting Director of Corporate Services and Stuart Dennis, Corporate Finance Manager, joined the meeting.

The Chair welcomed attendees to the meeting.

3. Declarations of interest

There were no declarations of interest.

4. Items to be taken in private

The Chair invited members to agree that item 21 of the agenda be considered in private for the reasons stated on the agenda. The members agreed.

5. Chair's report – verbal update

The Chair advised of regular meetings with Stephen Boyle, Auditor General for Scotland and Accountable Officer, William Moyes, the Chair of the Accounts Commission, and Martin Walker, Acting Director of Corporate Services on various operational matters.

The chair noted his involvement in the recruitment process for the Chief Operating Officer (COO), which is now complete, and confirmed that an appointment has been made. This news will be made public internally and externally today.

In addition, the Chair advised of his attendance at the Audit Committee and Remuneration and Human Resources Committee meetings on 11 May.

Following discussion, the Board welcomed the update.

6. Accountable Officer's report – verbal update

Stephen Boyle advised that he was pleased with the appointment of the new COO and provided an update on other three executive posts. It was noted that the recruitment process was complete and offers had been made. Stephen advised that reports on these appointments would go to the Board today for approval. He also advised that the new executive team should be in place over the summer. Announcements will be made in the coming days on these appointments and the Chair suggested an overall announcement on our new Executive Team as a whole may also be useful. The Board noted its thanks to Nicola Constable for all her hard work with the Executive Team recruitment process.

Stephen advised of his regular engagement with the Chair and the Chair of the Accounts Commission.

Stephen invited members to note the high level of activity in relation to Parliamentary business and the various sessions attended, including Health & Sport Committee on NHS Overview report and a number of Public Audit Committee engagements including the report on the progress of delivery of ferries and the Social Care briefing. There have also been evidence sessions on NHS Highland, South Lanarkshire College S22 report and further sessions with the Scottish Government and HMRC on Scottish Income Tax.

Stephen advised that he had met with Colin Beattie, Chair of Scottish Commission Public Audit at end of April. This was following the visit from The Public Audit Commission (TPAC) from UK Parliament. At their meeting they explored what this may mean for SCPA's oversight of audit quality – further updates will be provided on this as appropriate.

Stephen invited members to note his other external engagements, including a further meeting with the Chief Executive of Scottish Futures Trust, which provides support and advice in respect of major infrastructure investment. The Scottish Government has confirmed that Scottish Futures Trust will become a body whose auditors will be appointed by the Auditor General of Scotland. Stephen also advised that we are anticipating that this will also be the case for Scotrail Holdings.

Stephen advised that the UK and Ireland Auditors General would be meeting in Dublin next week along with the respective Chief Operating Officers of the audit agencies.

It was noted that the Convenor of the Public Audit Committee, Richard Leonard will be visiting the Audit Scotland office in Edinburgh to learn more about Audit Scotland and meet with colleagues on 14 June and that Board members are welcome to participate in this session.

Following discussion, the Board welcomed the update.

7. Accounts Commission Chair's report – verbal update

William Moyes advised the Board a lot of his time in recent weeks had been put into working on the Accounts Commission Change Programme. Over the next few months, he plans to meet with as many of the Convenors of the Committees in Parliament as possible and have more discussions with COSLA, SOLACE and other stakeholders.

Following discussion, the Board welcomed the update.

8. Review of minutes

Board meeting: 5 April 2022

The Board considered the minutes of the meeting of 5 April 2022, which had been previously circulated.

One small change was noted.

The Board approved the minutes as an accurate record of the meeting.

Audit Committee meeting: 2 March 2022

The Board noted the minutes of the Audit Committee meeting of 2 March 2022, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

Remuneration and Human Resources Committee meeting: 2 March 2022

The Board noted the minutes of the Remuneration and Human Resources Committee meeting of 2 March 2022, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

9. Review of action tracker

The Board noted the updates provided on the action tracker and no further updates were required at the meeting.

The Board welcomed the update.

10. Covid-19 update

Martin Walker introduced the Covid-19 update report, copies of which had been previously circulated. Martin provided an update on the ONS Survey statistics up to week ending 7 May and advised that the date of next pulse survey should read 17 May not 17 June as in the report.

A discussion took place about the future need and focus for the update report and whether it would be required as a standing item.

The Board agreed it would be beneficial to have a discussion at a future meeting around the need for and provision of office workspaces. Stuart Dennis advised that an options appraisal is being produced and that this would come to Management Team and Board for approval. A progress update on all of this is to come to the Board in September for further discussion.

Following discussion, the Board welcomed the update and noted the actions taken to date in response to the Covid-19 pandemic, the ongoing actions, and next steps.

11. Mainstreaming equality and equality outcomes: Interim progress report

Carolyn McLeod, Audit Director, Performance Audit and Best Value, Jillian Matthew, Senior Manager, Performance Audit and Best Value and Tricia Meldrum, Senior Manager, Performance Audit and Best Value joined the meeting.

Carolyn McLeod introduced the Mainstreaming equality and equality outcomes: Interim progress report, copies of which had been previously circulated.

Carolyn invited the Board to note the interim report, share views on the interactive format, comment on the progress being made against the equality outcomes and note that a full progress report would be shared for comment ahead of publication in spring 2023.

Board members noted that they found the report very informative and welcomed the new format. Members also noted that areas of focus over the next year would be refreshing the audit management framework guidance for performance audits, looking at the analysis of feedback from internal workshops, noting that colleagues want to learn more about what is meant by a human rights-based approach (HRBA) and what that means for our work, and an analysis on gender pay gap reporting. Carolyn advised there is a need to think about how we build knowledge and understanding of equality impact assessments and that the key to this is tying in equalities with other cross cutting themes across the business including climate change and digital services.

The Board agreed that it would like to have a future session on the Humans Rights Approach and Carolyn will suggest an appropriate time for this to come to the Board.

Following discussion, the Board noted the report and that a full progress report will be shared for comment ahead of publication in spring 2023.

ACTION ASB165: Further Board session on HRBA to be arranged. (Date TBC)

Carolyn McLeod, Jillian Matthew and Tricia Meldrum left the meeting.

12. 2021/22 Annual report on information governance and security

Gayle Fitzpatrick, Corporate Governance Manager, and David Robertson, Digital Services Manager, joined the meeting.

Gayle Fitzpatrick introduced the 2021/22 Annual report on information governance and security, copies of which had been previously circulated.

Gayle invited the Board to consider the report and invited any questions. David Robertson advised that 60% of the current digital services projects are to deliver improvements in cyber security and cyber resilience. Members enquired about the digital security of staff using personal devices and it was noted this is a mitigated risk due to limitations on the information they can access and the authentication processes in place. The Board noted its concerns around the challenging cyber security environment. It was also noted that response rates to surveys could be improved, and comparison was made to the Best Companies survey. Gayle confirmed that employee training on information security is mandatory.

The members noted the report and advised that they look forward to a further scheduled session on this in September 2022.

David Robertson left the meeting.

13. Annual report on complaints 2021/22

Gayle Fitzpatrick introduced the Annual report on complaints 2021/22, copies of which had been previously circulated. Gayle advised that the number of complaints has increased slightly but they are still relatively low and that the complaints handling arrangements we have in place are working well.

Gayle invited the Board to consider the report.

Following discussion, the Board noted the report.

14. Annual report on Freedom of Information and Environmental Information 2021/22

Gayle Fitzpatrick introduced the Annual report on Freedom of Information and Environmental Information 2021/22, copies of which had been previously circulated.

Gayle invited the Board to consider the report and note the performance in 2021/22.

During discussion, the Board noted that we had not received any Environmental Information requests in the last year and Freedom of Information requests had risen slightly. Gayle provided more detail on the arrangements in place to deal with information requests and explained how many requests are dealt with as 'business as usual' and advised that Environmental Information Requests would be dealt with in the same way as a Freedom of Information requests.

Following discussion, the Board noted the report and the performance in 2021/22.

Gayle Fitzpatrick left the meeting.

15. Q4 Financial performance report

Stuart Dennis introduced the Q4 Financial performance report, copies of which had been previously circulated.

Stuart invited the Board to note the un-audited financial results for the twelve months to 31 March 2022.

During discussion, the Board noted that the external auditors would give their audit opinion next week. A question was asked around the provision being made in the

report and Stuart explained the process around expenses/costs and how we invoice for this.

Following discussion, the Board noted the report and the un-audited financial results for the twelve months to 31 March 2022.

16. Information Security Management Policy review

David Robertson, Digital Services Manager and Nicola Paton, Digital Project Manager, Digital Services, joined the meeting.

Nicola Paton introduced the Information Security Management Policy review report, copies of which had been previously circulated.

Nicola invited the Board to consider the policy updates and approve the new version of the policy.

During discussion, the Board noted the policy review had been brought forward to keep in line with our other information security documentation. Nicola advised that the policy had been reviewed and recommended for approval by the Knowledge Information and Technology Governance Group (KITGG) and the Management Team.

The Board noted the new item 4.8 in the report, the importance of item 4.12 and the changes within the diagram which highlight updates made throughout the year. Nicola advised that we raise awareness of the importance of this work internally via Yammer posts, the mandatory training to be carried out by all staff and key performance indicators that Digital Services report on through KITGG quarterly reports. The Board invited Digital Services to explore further ways to ensure all colleagues are sighted on information security and cyber risks.

Following discussion, the Board approved the new version of the Information Security Management Policy.

Nicola Paton and David Robertson left the meeting.

17. Review of staff handbook policies

Susan Burgess, Assistant Human Resources Manager, joined the meeting.

Susan Burgess introduced the Review of staff handbook policies report, copies of which had been previously circulated.

Susan invited the Board to approve the suggested changes to the Counter Fraud and Diversity and Equality policies and advised that, subject to approval, the policies will be uploaded to the staff handbook.

During discussion, the Board noted the staff handbook policies will continue to be reviewed and HR are looking to schedule the review and approval processes on a rolling basis. It was noted that the policies which relate to hybrid working will come to the Board at a later date.

Following discussion, the Board approved the suggested changes to the Counter Fraud and Diversity and Equality policies and noted the policies will be uploaded to the staff handbook.

Susan Burgess left the meeting.

18. Any other business

There was no other business for discussion.

19. Review of meeting

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion.

The Chair thanked everyone for their contributions.

20. Date of next meeting: 1 June 2022

The members noted the next meeting of the Audit Scotland Board is scheduled for 1 June 2022.

Items taken in private

21. New Audit Appointments – verbal update

Elaine Boyd, Associate Director, Audit Quality and Appointments, and Kathrine Sibbald, Project Manager, Audit Quality and Appointments, joined the meeting.

Elaine Boyd provided a verbal update on the new audit appointments.

The Board noted that all conflicts of interest had now been resolved and that the Auditor General and the Accounts Commission had approved the appointments. The Board also noted the likely impact on audit fees and the planned mini tender to appoint to a small number of residual appointments. Elaine advised that appointment letters would be issued shortly.

The Board acknowledged the scale and complexity of the new audit appointments process and thanked the team for their efforts.

Following discussion, the Board welcomed the update.

Elaine Boyd and Kathrine Sibbald left the meeting.

Agenda

Wednesday 1 June 2022 at the conclusion
of the Audit Committee
Audit Scotland, 102 West Port and
Microsoft TEAMS

1. Private meeting of members

2. Welcome and apologies

3. Declarations of interest

4. Items to be taken in private

Standing items

- | | |
|---|-----------------|
| 5. Chair's report - verbal update | For information |
| 6. Accountable Officer's report - verbal update | For information |
| 7. Accounts Commission Chair's report - verbal update | For information |
| 8. Review of Draft minutes: <ul style="list-style-type: none">Board meeting: 17 May 2022 | For approval |
| 9. Review of action tracker | For information |
| 10. Covid-19 – verbal update | For information |
-

Strategic priorities

- | | |
|---|-----------------|
| 11. Strategic Improvement Programme update | For information |
|---|-----------------|
-

Annual reporting and assurance

- | | |
|---|--------------|
| 12. 2021-22 Annual report from the Chair of the Audit Committee to the Board | For approval |
| 13. 2021/22 Annual report: Remuneration and Human Resources Committee | For approval |
| 14. Draft international work annual report for 2021-22 | For approval |

15. Policy on the provision of Non-Audit Services by Audit Scotland's external auditor	For approval
16. Governance statement and certificate of assurance 2021-22	For approval
17. Audit summary report for the year ended 31 March 2022	For information

Conclusion

18. Any other business	For discussion
19. Review of meeting	For discussion
20. Date of next meeting: 28 September 2022	For information

Items to be taken in private

21. Quality of public audit in Scotland 2021/22 [Item to be taken in private to support the effective conduct of business, intended for future publication]	For approval
22. Q4 Corporate performance report [Item to be taken in private to support the effective conduct of business, intended for future publication]	For information
23. Draft Audit Scotland Annual Report and Accounts 2021/22 [Item to be taken in private to support the effective conduct of business, intended for future publication]	For approval
24. Interim Corporate Plan 2022/23 [Item to be taken in private to support the effective conduct of business, intended for future publication]	For approval