

Minutes

Management Team

Tuesday 12 January 2021, 10.00am

TEAMS Meeting

Present:

Diane McGiffen (Chair)
Stephen Boyle
Fiona Kordiak
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

There were no apologies.

There in attendance:

John Gilchrist, Manager, Audit Quality and Appointments
Owen Smith, Senior Manager, Audit Quality and Appointments
Stuart Dennis, Corporate Finance Manager
Mark Roberts, Audit Director, Performance Audit and Best Value
Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager
David Blattman, HR&OD Manager, Corporate Services
Gayle Fitzpatrick, Corporate Governance Manager
Ian Metcalfe, Corporate Governance Officer

1. Minutes of meeting 15 December 2020

The draft minutes dated 15 December 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Audit appointment changes to Audit Services Group portfolio in 2020/21

John Gilchrist, Manager, Audit Quality and Appointments, and Owen Smith, Senior Manager, Audit Quality and Appointments, joined the meeting.

John Gilchrist introduced the Audit appointment changes to Audit Services Group portfolio in 2020/21 report, copies of which had been previously circulated.

John invited Management Team to consider and comment on Audit Quality and Appointment's proposals for the appointments to the Scottish National Investment Bank, National Services Scotland, Social Security Scotland, Registers of Scotland, Visit Scotland, Edinburgh College, Scottish Commission on Social Security, Scottish Legal Aid Board, Sportscotland and Sportscotland Lottery Fund, and Food Standards Scotland.

During discussion, Management Team considered and recommended the proposed audit appointment changes to the Auditor General for Scotland before noting there were further portfolio changes to be considered. Fiona Kordiak advised once these have been approved details of the updated engagement leads would be shared with colleagues.

Following discussion, Management Team they would welcome further discussion on the appointment and engagement process for local government audit appointments.

Action(s): A discussion on the appointment and engagement process for local government audit appointments to be scheduled. (February 2020)

John Gilchrist and Owen Smith left the meeting.

3. 2020/21 Updated financial forecast

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2020/21 Updated financial forecast report, copies of which had been previously circulated.

Stuart invited Management Team to note and discuss the financial forecast for the 12 months to March 2021.

During detailed discussion, Management Team noted the anticipated deficit reported which formed part of the Spring Budget Revision (SBR) submission being considered by the Scottish Commission for Public Audit (SCPA) on Friday 15 January 2020. Management Team considered the risks around fee completion to the end of the financial year and increased cost of remote auditing. Management Team agreed a discussion paper on the methodology for assessing remote auditing costs would be scheduled.

Following discussion, Management Team agreed that subject to approval of the SBR by the SCPA, it would consider the risks for fee income over the next quarter alongside the need to best support colleagues during ongoing restrictions. Stuart Dennis agreed to bring regular updates to Management Team.

Action(s): A discussion paper to be scheduled on the methodology for assessing remote auditing costs. (February 2020)

Regular updates on fee income recognition to be scheduled. (ongoing)

Stuart Dennis left the meeting.

4. EU withdrawal verbal update

Mark Roberts, Audit Director, Performance Audit and Best Value, joined the meeting.

Mark Roberts provided a verbal update on developments in relation to the UK's withdrawal from the EU.

During discussion, Management Team welcomed the update and noted that there were no reported issues over imports coming into the UK but highlighted concerns for exports. Management Team also noted the Internal Market Bill will be key in terms of business and the economy across devolved entities.

Management Team welcomed last week's internal blog and colleague drop-in sessions which have been scheduled over the next few weeks.

Following discussion, Management Team welcomed the update and agreed the report to the Board would incorporate a number of the key areas discussed.

Mark Roberts left the meeting.

5. Covid-19 verbal update

Martin Walker, Associate Director, Corporate Performance and Risk, Simon Ebbett, Communications Manager, and David Blattman, HR&OD Manager, joined the meeting.

Verbal update

Martin Walker provided a verbal update on developments in relation to Covid-19.

During discussion, Management Team welcomed the news about the rollout of the vaccination programme in Scotland and contrary reports on the UK and Scottish supply and distribution of the vaccine. Management Team noted the increasing number of Covid-19 cases reported and reflected on the impact of the new restrictions for colleagues.

Management Team noted that the NHS Overview report scheduled to be published in February 2021 would include reference to the vaccination programme with consideration on whether to report further on this element as part of the forward work programme.

Management Team noted the pressure on audit teams to attend client and audit sites in person and following discussion agreed that with the current restrictions in place, the clear messages from both the UK and Scottish governments and Audit Scotland's ongoing commitment for the safety and wellbeing of colleagues this could not be accommodated. Furthermore, Management Team agreed all alternative and digital options be explored first and any remaining issues be escalated to Leadership Group.

Management Team welcomed the update.

Updated statement on public audit and Covid-19

Simon Ebbett open a discussion on the updated statement on public audit and Covid-19. Copies of previous published statements had been previously circulated.

Management Team discussed the current statements for public audit and Covid-19 and during discussion agreed a number of amendments which would be updated on Audit Scotland's website.

Action(s): The statement of public audit and Covid-19 to be updated and published on Audit Scotland's website. (February 2021)

Martin Walker, Simon Ebbett, and David Blattman left the meeting.

6. Records Management Plan 2021-2026

Gayle Fitzpatrick, Corporate Governance Manager, and Ian Metcalfe, Corporate Governance Officer, joined the meeting.

Gayle Fitzpatrick introduced the Records Management Plan 2021-2026 report, copies of which had been previously circulated.

Gayle invited Management Team to agree the submission of the revised Records Management Plan to the Audit Scotland Board on 27 January 2021.

During detailed discussion, Management Team considered the Records Management Plan for the next five-year period which would be effective from January 2021. Management Team considered the required reporting on the various elements in the plan noting the National Records for Scotland confirmation they were content with Audit Scotland's proposed approach to element 15.

Following discussion, Management Team welcomed the proposed records management plan and agreed its submission to the Board subject to further clarification being obtained on the requirement to incorporate element 15 in the plan.

Action(s): Clarification on the requirement to incorporate element 15 in the Records Management Plan to be sought. (January 2021)

Gayle Fitzpatrick and Ian Metcalfe left the meeting.

7. Leadership Group agenda discussion: 18 January 2021

Management Team discussed and agreed the agenda for the forthcoming meeting of Leadership Group.

8. Draft Board agenda: 27 January 2021

Management Team noted the proposed agenda for the meeting of Audit Scotland Board on 27 January 2021.

9. Draft Management Team agenda: 19 January 2021

Management Team noted the proposed agenda for the meeting on 19 January 2021.

10. Any other business

There was no other business for discussion.

11. Date of next meeting

The next meeting of Management Team will take place on 19 January 2021.