

Minutes

Management Team

Tuesday 26 January 2021, 10.00am

TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

In attendance:

Fiona Daley, Consultant, Audit Quality and Appointments
Elaine Boyd, Associate Director, Audit Quality and Appointments
Gillian Woolman, Audit Director, Audit Services
John Cornett, Audit Director, Audit Services
Fiona Mitchell Knight, Audit Director, Audit Services
Simon Ebbett, Communications Manager
David Blattman, HR&OD Manager, Corporate Services
Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting 19 January 2021

The draft minutes dated 19 January 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Code of audit practice: Technical briefing and discussion

Fiona Daley, Consultant, and Elaine Boyd, Associate Director, Audit Quality and Appointments, Gillian Woolman, John Cornett and Fiona Mitchell Knight, Audit Directors, Audit Services joined the meeting.

Fiona Daley introduced the Code of audit practice: Technical briefing report, copies of which had been previously circulated.

Fiona shared a presentation on the Code of audit practice: Technical briefing update highlighting areas for further work and issues to be resolved before recommending the Code to the AGS and Accounts Commission.

During detailed discussion, Management Team noted the engagement to date and welcomed responses received from audited bodies, audit firms, Best Value Working Group, CIPFA and ICAS which would inform further changes to the Code to improve the guidance and deal with some long standing issues.

Management Team noted that the Code would remain principles-based, but that the proposed move to require auditors to comply with aspects of the code would have implications for levels of assurance and cost.

Management Team considered a number of areas highlighted in the technical guidance including partnership working with audit firms, the requirement of the Best Value element to be reflected in the scope, further consideration required on the approach for small and less complex bodies, the overall quality criteria, duty of care and approach to grant claims, fraud reporting, implications for resource and workforce plans and potential impact on audit fees, investment required in ISQM1 and ISQM2 and reporting fraud in the public sector.

Management Team noted the further engagement activity planned, further consideration of the approach to small and less complex bodies, development of principles to be included in the forthcoming audit procurement and the review of the Audit Quality Framework in November 2021 which would incorporate the updates to the Code of Audit Practice, all of which would be reported to the New Audit Appointments Steering Group.

Management Team welcomed the discussion and it was agreed that

- Fiona Mitchell Knight would provide a briefing for Management Team on the development of best value now that significant progress had been made on the approach.
- periodic updates to be scheduled as required on the areas highlighted and still being developed and
- at an appropriate point, a summary paper highlighting key Code changes would be produced to share with auditors and audited bodies.

Action(s): **Fiona Mitchell Knight would provide a briefing for Management Team on the development of best value now that significant progress had been made on the approach. (February 2021)**

Periodic updates to be scheduled to come to Management Team as required. (ongoing)

A summary paper highlighting key Code changes would be produced to share with auditors and audited bodies. (Completed)

Fiona Daley, Elaine Boyd, Gillian Woolman, John Cornett and Fiona Mitchell Knight left the meeting.

3. Covid-19 verbal update

Simon Ebbett, Communications Manager, and David Blattman, HR&OD Manager, joined the meeting.

Simon Ebbett provided a verbal update on developments in relation to Covid-19 including further announcements in relation to travel and quarantine measures.

Management Team reflected on the developments and welcomed the discussion.

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

4. Draft Accounts Commission agenda: 11 February 2021

Paul Reilly, Secretary to the Accounts Commission, joined the meeting.

Paul Reilly introduced the draft Accounts Commission agenda for 11 February 2021, copies of which had been previously circulated.

Paul invited Management Team to note amendments to the agenda and advised that the Accounts Commission would be responding to the Scottish Government's consultation on Councillors Code of Conduct, a copy of which he would share with Management Team.

Fraser McKinlay advised of his apologies for the meeting.

Following discussion, Management Team noted the agenda.

Paul Reilly left the meeting.

5. Draft Management Team agenda: 2 February 2021

Management Team noted the proposed agenda for the meeting on 2 February 2021 and agreed Fraser McKinlay would join the meeting for all non-active audit related items.

6. Any other business

There was no other business for discussion.

7. Date of next meeting

The next meeting of Management Team will take place on 2 February 2021.