

# Minutes

## Management Team

Tuesday 16 February 2021, 10.00am

TEAMS Meeting

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### Present:

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

### Apologies:

There were no apologies.

### In attendance:

Elaine Boyd, Associate Director, Audit Quality and Appointments  
Owen Smith, Senior Manager, Audit Quality and Appointments  
John Gilchrist, Manager, Audit Quality and Appointments  
David Blattman, HR&OD Manager, Corporate Services  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager  
Ian Metcalfe, Corporate Performance Officer  
Gayle Fitzpatrick, Corporate Governance Manager

## 1. Minutes of meeting 2 February 2021

The draft minutes dated 2 February 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### Confidential minutes of meeting on 2 February 2021

The draft confidential minutes dated 2 February 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Audit quality update

*Elaine Boyd, Associate Director, Audit Quality and Appointments, Owen Smith, Senior Manager, Audit Quality and Appointments and John Gilchrist, Manager, Audit Quality and Appointments, joined the meeting.*

Elaine Boyd introduced the Audit quality update report, copies of which had been previously circulated.

Elaine invited Management Team to consider and comment on the Audit Quality Complaints procedure and to consider and comment on proposals to improve the transparency of audit quality reporting for the start of the New Audit Appointments.

During detailed discussion, Management Team noted that the Audit Quality Committee had considered the complaints procedure in July 2020 and agreed it was content with the procedure as drafted.

Management Team considered the role and scope of audit provider's own procedures for investigating complaints and agreed that these along with Audit Scotland's peer review process and any HR related policies be captured in the procedure and accompanying process flowchart. In addition, Management Team agreed that further clarification on what is not included in the scope be set out, for example audit judgements do not provide grounds for a complaint but where the audit process didn't meet the required standard would. Management Team also noted the process for notifying the commissioners of audit and agreed a reference to the role of the ethics partners in Audit Scotland and the firms be captured and welcomed further consultation on the procedure with the PCS union.

Turning to the transparency of audit quality reporting, Management Team welcomed the direction of travel which demonstrated Audit Scotland's commitment to scrutiny and transparency and agreed it would be helpful to develop the proposal, with appropriate engagement and consultation, in order to inform the next procurement round of audit appointments.

Following discussion, Management Team agreed that the timeframe and process to incorporate transparency into the procurement process would be considered by the Audit Quality Committee.

*Elaine Boyd, Owen Smith and John Gilchrist, left the meeting.*

### **3. Confidential item**

This item is the subject of a separate confidential minute.

### **4. 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.*

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

Management Team noted the reported numbers of cases was decreasing and the forthcoming announcement expected later in the day from the Scottish Government on proposals on the phased return of children to school.

During discussion, Management Team also noted the increase of the total number of absence days recorded which accounted for more long term absences and agreed to consider any additional support for colleagues at the meeting of IMT later in the week.

Following discussion, Management Team welcomed the update.

*Simon Ebbett and David Blattman left the meeting.*

### **5. Review of risk register**

Martin Walker introduced the Review of risk register report, copies of which had been previously circulated.

Martin invited Management Team to consider the updated risk register, to note the risk assessment, controls and mitigating actions in place and to identify if any further management action is required.

During detailed discussion, Management Team considered the risk register and reflected on the ongoing impact from the pandemic across a number of the risks. Management Team acknowledged that audits are expected to be more complex this year as a result increased funding across the public sector coupled with risks around capacity, recruitment and continued remote auditing.

Following discussion, Management Team welcomed the report and agreed a number of amendments to the report prior to its submission to the Audit Committee.

*Stephen Boyle left the meeting.*

## 6. Annual review of business continuity arrangements 2021

*Ian Metcalfe, Corporate Performance Officer, joined the meeting.*

Ian Metcalfe introduced the Annual review of business continuity arrangements 2021 report, copies of which had been previously circulated.

Ian invited Management Team to note the annual review of Audit Scotland's Business Continuity arrangements, to approve the attached business continuity plans and agree that, subject to revisions, these be recommended to the Audit Committee meeting on 3 March 2021.

During discussion, Management Team reflected on the review of the business continuity plan and agreed it had provided a sound basis for business continuity arrangements over the past year.

Following discussion, Management Team welcomed the report, noting that a lessons learned review is scheduled and agreed the submission of the report to the Audit Committee.

## 7. Internal audit

*Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.*

### Internal audit recommendations progress report

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

Gayle invited Management Team to note the progress on the implementation of outstanding audit recommendations.

During discussion, Management Team welcomed the completion of 22 recommendations, noted one recommendation had been superseded, one had been completed and four remained outstanding.

Management Team considered the outstanding recommendations and agreed additional narrative to provide assurance around progress and next steps for these.

Following discussion, Management Team noted the report.

### Draft 2021/22 internal audit plan

Gayle Fitzpatrick introduced the Draft 2021/22 internal audit plan report, copies of which had been previously circulated.

Gayle invited Management Team to consider and comment on the proposed audit plan from BDO, our internal auditors

During detailed discussion, Management Team questioned the increased number of internal audit days proposed following the postponement of one internal audit in 2020/21 and Gayle advised this was agreed with BDO.

Turning to the audit plan, Management Team agreed an internal audit of Audit Scotland's core financial controls should be included and the review of communications and engagement be removed. Furthermore, Management Team agreed the additional audit days be used in an advisory capacity on the goals for our green futures work.

Following discussion, Gayle advised she would liaise with BDO on the proposed amendments to the internal audit plan prior to submission to the Audit Committee.

Management Team welcomed the report and discussion.

*Martin Walker, Gayle Fitzpatrick and Ian Metcalfe left the meeting.*

**8. Draft Management Team agenda: 23 February 2021**

Management Team noted the proposed agenda for the meeting on 23 February 2021.

**9. Any other business**

There was no other business for discussion.

**10. Date of next meeting**

The next meeting of Management Team will take place on 23 February 2021.