

# Minutes

## Management Team

Tuesday 12 January 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.

### 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.

# Minutes

## Management Team

Tuesday 19 January 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.

### There in attendance:

Simon Ebbett, Communications Manager  
Antony Clark, Audit Director, Performance Audit and Best Value  
Gemma Diamond, Audit Director, Performance Audit and Best Value  
Mark Roberts, Audit Director, Performance Audit and Best Value  
Robert Cumming, PA Advocacy  
Martin Walker, Associate Director, Corporate Performance and Risk  
David Blattman, HR&OD Manager, Corporate Services  
Stuart Dennis, Corporate Finance Manager

### 1. Minutes of meeting 12 January 2021

The draft minutes dated 12 January 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Confidential minutes of meeting 15 December 2020

The draft confidential minutes dated 15 December 2020 were considered and Management Team agreed that these were an accurate record of the meeting.

### 3. Stakeholder engagement survey

*Simon Ebbett, Communications Manager, Antony Clark, Audit Director, Performance Audit and Best Value, Gemma Diamond, Audit Director, Performance Audit and Best Value, Mark Roberts, Audit Director, Performance Audit and Best Value, and Robert Cumming, PA Advocacy, joined the meeting.*

Robert Cumming introduced the Stakeholder engagement survey presentation, copies of which had been previously circulated.

Robert invited Management Team to note the process of engagement and interviews with key stakeholders and highlighted the overall results for Audit Scotland in terms of awareness, effectiveness of fulfilling its role and engagement.

During discussion, Management Team welcomed the presentation and considered the level of reassurance provided around increased awareness of Audit Scotland and its role in the Scottish public sector and its reporting and support to Parliament and its Committees.

Following discussion, Management Team welcomed the presentation and reflected on the need to think through what further engagement will be required in light of the forthcoming elections.

*Simon Ebbett, Antony Clark, Gemma Diamond, Mark Roberts, and Robert Cumming left the meeting.*

#### **4. Strategic improvement programme update**

*Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

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

Martin invited Management Team to note the update on the strategic improvement programme and welcomed any comments on the report prior to submission to the Board for its consideration on 27 January 2021.

During discussion, Management Team welcomed the update and agreed its submission to the Board.

#### **5. Implications of EU withdrawal**

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

Mark Roberts introduced the Implications of EU withdrawal report, copies of which had been previously circulated.

Mark invited Management Team to discuss this update and agree that it is presented to the Board for noting at its meeting on 27 January 2021.

Management Team noted the update, and welcomed the engagement by colleagues at the drop in sessions which had been well attended.

Following discussion, Management Team welcomed the report and agreed the presentation of the report to the Board.

*Mark Roberts left the meeting.*

#### **6. Covid-19 verbal update**

*Simon Ebbett, Communications Manager joined the meeting.*

##### **Verbal update**

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

During discussion, Management Team agreed to extend the meeting of IMT to consider any impact following on from the announcement from the First Minister expected this afternoon.

Following discussion, Management Team welcomed the update.

##### **Board update report**

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

Martin invited Management Team to consider the actions taken to date in response to the Covid-19 pandemic and to note the ongoing actions and next steps.

Management Team considered the report and agreed the inclusion of additional context prior to submission to the Board for its consideration. Simon Ebbett also provided an update on the

refreshed Statement for public audit which would be shared with Management Team prior to publication.

Following discussion, Management Team welcomed the update and report.

*Martin Walker and Simon Ebbett left the meeting.*

## **7. 2020/21 Year end statutory accounts timetable**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the 2020/21 Year end statutory accounts timetable report, copies of which had been previously circulated.

Stuart invited Management Team to agree that the timetable for the completion of the Statutory Accounts for the year ended 31 March 2021 be presented to the Audit Committee for approval.

During discussion, Management Team considered the timetable and associated risks to receiving information to enable Audit Scotland to meet the reporting requirements and Stuart agreed to highlighting any issues arising.

Following discussion, Management Team agreed the presentation of the timetable to the Audit Committee for approval.

*Stuart Dennis left the meeting.*

## **8. Draft agenda: Audit Partners meeting: 3 February 2021**

Diane McGiffen invited Management Team to consider the topics for discussion at the forthcoming meeting of the Audit Partners on 3 February 2021.

Management Team agreed the proposed agenda, a draft of which would be shared with the Audit Partners in early course.

## **9. Draft Management Team agenda: 26 January 2021**

Management Team noted the proposed agenda for the meeting on 26 January 2021 and agreed to invite interested colleagues to join the discussion on the Code of audit practice update.

## **10. Any other business**

Fraser McKinlay requested clarification on the timeline for this year's corporate and business planning. Diane McGiffen highlighted these will link to the overall Strategic improvement plan and would liaise with Martin Walker regarding the timing and extent of reporting required.

Management Team discussed the level of engagement across various UK public audit forums. Diane advised that the Chief Operating Officer from the respective agencies are considering this.

## **11. Date of next meeting**

The next meeting of Management Team will take place on 26 January 2021.

# Minutes

## Management Team

Tuesday 26 January 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:

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.

# Minutes

## Management Team

Tuesday 2 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:

David Blattman, HR&OD Manager, Corporate Services  
Mark Taylor, Audit Director, Audit Services  
Stuart Dennis, Corporate Finance Manager  
Elaine Boyd, Associate Director, Audit Quality and Appointments  
Owen Smith, Senior Manager, Audit Quality and Appointments  
John Gilchrist, Manager, Audit Quality and Appointments  
Stuart Dennis, Corporate Finance Manager  
Simon Ebbett, Communications Manager  
Gordon Smail, Audit Director, Performance Audit and Best Value  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
Gayle Fitzpatrick, Corporate Governance Manager  
Paul Reilly, Secretary to the Accounts Commission

### 1. Minutes of meeting 26 January 2021

The draft minutes dated 26 January 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Confidential item

This item is the subject of a separate confidential minute.

### 3. 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 note the success of the Covid-19 support by the Audit Quality and Appointment team, including the implementation of DocuSign for both auditors and clients, preparations for QPAS reporting in June, streamlining of data returns required from auditors and to approve the proposal to extend the contract with ICAS for a period of one year as permitted within

the terms of the contract. Management Team agreed that a separate report on the Audit Quality Complaints procedure and on the proposals to improve the transparency of audit quality reporting in 2022 and beyond would be considered at its next meeting on 16 February 2021.

During discussion, Management Team welcomed the implementation of DocuSign recognising the efficiencies this has provided during the pandemic and approved this as a preferred method for signing accounts going forward. Management Team welcomed the data returns from auditors to inform the QPAS reporting in June 2021 and considered the proposal to extend the ICAS contract for a further year.

Following discussion, Management Team approved the extension to the ICAS contract and agreed a number of amendments to be incorporated in the report to be submitted to the Audit Committee for its consideration at its meeting on 3 March 2021.

#### **4. Audit delivery 2019/2020**

Elaine Boyd introduced the Audit delivery 2019/2020 report, copies of which had been previously circulated.

Elaine invited Management Team to consider the audit delivery performance relating to 2019/20 audits reported and to also comment on the report to assist with onward reporting to Audit Scotland's Audit Committee and the Accounts Commission Committees.

During discussion, Management Team noted the strong results reported and welcomed the outstanding delivery by auditors and finance teams to achieve these results. Management Team also reflected on the role of briefing papers and other outputs which have been a contributory factor during the pandemic and agreed these should also be referenced in the report.

Management Team agreed additional commentary and amendments to the report prior to its submission to the Audit Committee and would welcome the sharing of the report more widely internally and with auditors.

Following discussion, Management Team welcomed the report.

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

#### **5. Q3 Financial performance report**

*Stuart Dennis, Corporate Finance Manager, re-joined the meeting,*

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

Stuart invited Management Team to note the financial results for the nine months to 31 December 2020 prior to its submission to the Audit Committee meeting on 3 March 2021.

During discussion, Management Team noted the results to 31 December 2020 and the forecast for the year end which is in line with forecasting. Management Team considered the risks around income recognition and firms' costs and welcomed assurance that planning for 2021 audits had commenced.

Following discussion, Management Team welcomed the report and agreed Stuart would liaise with AQA on additional fees and the future fee regime.

#### **6. 2020/21 Accounting policies key accounting estimates and judgements**

Stuart Dennis introduced the 2020/21 Accounting policies key accounting estimates and judgements report, copies of which had been previously circulated.

Stuart invited Management Team to approve the submission of the 2020-21 Accounting policies, key accounting estimates and judgements to the Audit Committee meeting on 3 March 2021.

Management Team welcomed the clarity of the accounting policies and agreed the inclusion of commentary on the potential economic impact of Covid-19 prior to submission to the Audit Committee.

*Fraser McKinlay and Stuart Dennis left the meeting.*

## 7. Communications digest

*Simon Ebbett, Communications Manager, Gordon Smail and Carolyn McLeod, Audit Directors, Performance Audit and Best Value, joined the meeting. Fraser McKinlay left the meeting.*

Simon Ebbett introduced the Communications digest, copies of which had been previously circulated.

Simon Ebbett invited Management Team to consider the key issues reported. Management Team noted the report and forthcoming announcement expected around the return to schools and nurseries for younger children. Management Team also noted the Scottish Labour leader campaign and welcomed the level of engagement through social media channels on Audit Scotland's outputs and ongoing recruitment campaign.

Following discussion, Management Team welcomed the report and agreed it would be helpful for this report to be shared more widely with Leadership Group.

**Action(s):            Communications team to circulate a copy of the Communications Digest to Leadership Group each month. (ongoing)**

## 8. Hotlist of audit issues and Statutory report log

Gordon Smail introduced the Hotlist of audit issues and Statutory report log, copies of which had been previously circulated.

Gordon invited Management Team to consider and agree any actions that are required in response to the issues reported.

Management Team considered the issues highlighted, reflected on the funding for audited bodies in response to Covid-19 to meet the demand on public services coming through, discussed the priorities for the work programme and noted developing section 22 and 102 reports at this early stage.

Following discussion, Management Team welcomed the report.

*Gordon Smail and Carolyn McLeod left the meeting.*

## 9. Covid-19 verbal update

*Fraser McKinlay and David Blattman re-joined the meeting and Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

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

During discussion, Management Team noted the update including testing for the new variants of the virus which has been detected in the UK, the acceleration of the vaccination programme and the forthcoming announcement from the First Minister later in the day, previously highlighted at item 7.

Following discussion, Management Team welcomed the discussion.

*Simon Ebbett and David Blattman left the meeting.*

## 10. Review of Risk management framework

Martin Walker introduced the Review of Risk management framework report, copies of which had been previously circulated.

Martin Walker invited Management Team to consider the interim review of the risk framework in light of the impact and actions in response to Covid-19.

During discussion, Management Team considered the risk management framework and agreed the risks set out and which appear on the risk register are comprehensive. Management Team considered the proposal for a temporary suspension of risk interrogations to keep focus on the risks which appear in the risk register.

Following discussion, Management Team agreed with the proposal to pause risk interrogations and advised they would welcome a review of Incident Management Team's work during the pandemic, how this has operated, frequency of meetings and any lessons learned.

**Action(s):**            **A review and lessons learned of Incident Management Team to be scheduled. (March 2021)**

## 11. Annual assurance and statement of control process 2021

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

Gayle Fitzpatrick introduced the Annual assurance and statement of control process 2021 report, copies of which had been previously circulated.

Gayle invited Management Team to consider the report and agree its submission to the Audit Committee for its meeting on 3 March 2021.

During discussion, Management Team noted the comprehensiveness of reporting and welcomed the assurance provided by the statement of control process.

Following discussion, Management Team sought clarification and assurance on a number of reports scheduled prior to submission to the Audit Committee.

## 12. Cooperation between External and Internal auditors

Gayle Fitzpatrick introduced the Cooperation between external and internal auditors report on behalf of BDO, copies of which had been previously circulated.

Management Team were invited to note the content of this report and agreed for the report to be submitted to the Audit Committee meeting on 3 March 2021.

Following discussion, Management Team welcomed the report.

## 13. Data incident/loss report

Gayle Fitzpatrick introduced the Data incident/loss report, copies of which had been previously circulated.

Management Team were invited to note this report and agree for the report to be submitted to the Audit Committee meeting on 3 March 2021.

During discussion, Management Team considered the incidents reported, all of which were minor incidents and the overall number of incidents remain low for the year, demonstrating awareness and commitment of colleagues to information security while adapting to the challenges of remote working during the pandemic.

Following discussion, Management Team agreed the report be submitted to the Audit Committee for its consideration.

#### **14. Draft Audit Committee agenda: 3 March 2021**

Management Team noted the proposed agenda for the Audit Committee meeting on 3 March 2021.

*Martin Walker and Gayle Fitzpatrick left the meeting.*

#### **15. Draft Accounts Commission Committees agenda: 25 February 2021**

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

Paul Reilly introduced the draft Accounts Commission Committees agenda for 25 February 2021, copies of which had been previously circulated.

Paul invited Management Team to note the agendas for the meetings of the Accounts Commission's Committees on 25 February 2021.

Following discussion, Management Team noted the agendas for the Committees meetings.

*Paul Reilly left the meeting.*

#### **16. Draft Management Team agenda: 16 February 2021**

Management Team noted the proposed agenda for the meeting on 16 February 2021.

#### **17. Any other business**

There was no other business for discussion.

#### **18. Date of next meeting**

The next meeting of Management Team will take place on 16 February 2021.

## 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.

# Minutes

## Management Team

Tuesday 23 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:

David Blattman, HR&OD Manager, Corporate Services  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Richard Robinson, Senior Manager, Performance Audit and Best Value  
Erin McGinley, Correspondence Officer, Performance Audit and Best Value  
Claire Richards, Senior Auditor, Performance Audit and Best Value  
Fiona Mitchell Knight, Audit Director, Audit Services  
Antony Clark, Audit Director, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager  
Gayle Fitzpatrick, Corporate Governance Manager  
David Robertson, Digital Services Manager  
Paul Reilly, Secretary to the Accounts Commission

## 1. Minutes of meeting 16 February 2021

The draft minutes dated 16 February 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### Confidential minutes of meeting on 16 February 2021

The draft confidential minutes dated 16 February 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Confidential item

This item is the subject of a separate confidential minute.

## 3. Diversity, equality and inclusion progress update

*David Blattman, HR&OD Manager, Corporate Services, joined the meeting.*

David Blattman introduced the Diversity, equality and inclusion progress Remco report, copies of which had been previously circulated.

David Blattman invited Management Team to note the draft report for Remco and highlighted progress made to date and the proposed next steps including engagement with internal and external partners on Audit Scotland's long term strategy.

During detailed discussion, Management Team welcomed the progress reported and noted the level of engagement during the recent recruitment campaign. Management Team agreed they would welcome a broader conversation around the proposed outcomes, analysis of the statistics from the recruitment campaign which had achieved over 200 applications and further explore the role of modern apprentices and school leavers in audit.

Following discussion, Management Team welcomed the report and noted that in relation to modern apprentices and school leavers this would be developed further and agreed additional commentary on gender and equal pay and entry routes into Audit Scotland be incorporated into the report prior to its submission to the Remuneration and Human Resources Committee for consideration on 3 March 2021.

#### 4. Workforce plan update

David Blattman introduced the Workforce plan update, copies of which had been previously circulated.

David invited Management Team to consider and comment on the report prior to its consideration by the Remuneration and Human Resources Committee on 3 March 2021.

During detailed discussion, Management Team noted the update on the development of the Workforce Plan and considered the next steps in terms of process and engagement required around the ongoing development of the people strategy. Management Team reflected on how Audit Scotland has responded during the course of the pandemic and the impact this may have on the future people strategy. Management Team recognised the resource constraints in the short and medium term and Fraser McKinlay agreed to take forward discussions with David on the development of the people strategy, with early engagement with the Leadership Group at its meeting on 10 March 2021 before returning to Management Team for a further discussion in early course.

Following discussion, Management Team welcomed the report.

**Action(s): A further report on the People Strategy to be scheduled. (March 2021)**

#### 5. Proposed equalities outcomes 2021-2025

*Carolyn McLeod, Audit Director, Performance Audit and Best Value, Richard Robinson, Senior Manager, Performance Audit and Best Value, Erin McGinley, Correspondence Officer, Performance Audit and Best Value and Claire Richards, Senior Auditor, Performance Audit and Best Value, joined the meeting with David Blattman.*

Carolyn McLeod introduced the Proposed equalities outcomes 2021-2025 report, copies of which had been previously circulated.

Carolyn invited Management Team to consider and comment on whether the proposed outcomes focus on the right areas, proposed development and actions including engagement and communication.

During detailed discussion, Management Team considered the proposed outcomes which recognise the wider human rights and sociological dimensions, the need to reframe and embed equalities in audit reporting alongside the development of the Code and welcomed the proposals to raise equality awareness through further engagement both internally and externally and how that informs Audit Scotland's own recruitment and talent progression strategy.

Following discussion, Management Team welcomed the comprehensive report and shared additional feedback and commentary on the three outcomes.

*Carolyn McLeod, Richard Robinson, Erin McGinley, Claire Richards and David Blattman left the meeting. Fraser McKinlay, left the meeting.*

## 6. BV Audit in Local Government update

*Fiona Mitchell Knight, Audit Director, Audit Services and Antony Clark, Audit Director, Performance Audit and Best Value, joined the meeting.*

Fiona Mitchell Knight and Antony Clark introduced a presentation which provided an update on the approach to Best Value Audits in Local Government, copies of which had been previously circulated.

Fiona and Antony invited Management Team to note the approach and decisions taken by the Accounts Commission to inform the new Code of Audit Practice which in turn will inform of the invitation to tender, the fee implications for audited bodies and workforce implications.

During detailed discussion, Management Team noted the BV audit approach for Councils will be incorporated within the new Code, the proposals around annual BV and thematic audit work, subsequent Controller of Audit reporting and noted the duties which apply to audited bodies.

Management Team noted the next steps to develop the methodology, further engagement on the scale and frequency of reporting and broader work around performance audit work which would inform planning assumptions, audit fees, resource and skills needs.

Following discussion, Management Team welcomed the discussion and agreed a further discussion to be scheduled on fees, funding and workforce.

**Action(s): A further discussion to be scheduled on fees, funding and workforce. (TBC)**

*Fiona Mitchell Knight and Antony Clark left the meeting.*

The meeting of Management Team concluded. Management Team noted the remaining items were for noting and agreed to consider items 8, 9, 10, 11 and 13 by correspondence.

## 7. Covid-19 verbal update

Management Team noted the First Minister was scheduled to make an announcement this afternoon and agreed any matters arising would be considered by IMT at its meeting on Thursday 25 February.

## 8. Internal audit

### a) Audit profession preparedness changes

Management Team noted the report by correspondence.

### b) IT procurement

Management Team noted the report by correspondence.

### c) Progress report

Management Team noted the report by correspondence.

## 9. Digital security update

Management Team noted the report by correspondence.

## 10. Draft Accounts Commission agenda: 11 March 2021

Management Team noted the draft agenda by correspondence.

## 11. Draft Remco agenda: 3 March 2021

Management Team noted the draft agenda by correspondence.

**12. Draft Leadership Group agenda: 10 March 2021**

Management Team agreed the draft agenda for the meeting of Leadership Group on 10 March 2021.

**13. Draft Management Team agenda: 2 March 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 3 March 2021.

**14. Any other business**

There was no other business for discussion.

**15. Date of next meeting**

The next meeting of Management Team will take place on 3 March 2021.

# Minutes

## Management Team

Tuesday 2 March 2021, 10.00am

TEAMS Meeting

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### Present:

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

### Apologies:

Stephen Boyle

### In attendance:

David Blattman, HR&OD Manager, Corporate Services  
Sharon Kewley, Business Support Manager, Corporate Services  
Beverley Oakman, Audit Manager, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
Ian Metcalfe, Corporate Performance Officer

## 1. Minutes of meeting 23 February 2021

The draft minutes dated 23 February 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### Confidential minutes of meeting on 23 February 2021

The draft confidential minutes dated 23 February 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Confidential item

This item is the subject of a separate confidential minute.

## 3. Equality Impact Assessment – Hybrid Working

*Sharon Kewley, Business Support Manager, Corporate Services, Beverley Oakman, Audit Manager, Performance Audit and Best Value, and David Blattman, HR&OD Manager, joined the meeting.*

Sharon Kewley introduced the Equality Impact Assessment – Hybrid Working report, copies of which had been previously circulated.

Sharon invited Management Team to note the Understanding Different Needs Assessment, to note the Equality Impact Assessment, in particular the further considerations and benefits identified on page 2, to agree that this Equality Impact Assessment can be shared internally and published on the Audit Scotland website and to note the next steps as set out in the report.

During discussion, Management Team considered the range of positive impacts and issues highlighted together with the mitigating actions proposed and next steps. Management Team welcomed the early engagement with colleagues across the organisation to inform the Equality Impact Assessment and considered the timeline for publication both internally and externally.

Management Team welcomed the comprehensive report and agreed that client sites and audited bodies' policies required to be reflected alongside the development of Audit Scotland's policy for Covid secure hybrid working as part of the people strategy in the Strategic improvement programme.

Following discussion, Management Team agreed that an updated report to reflect the Scottish Government's latest guidance due to be published later this month, would be scheduled for IMT to consider together with a proposed timeline for publication of the Equality Impact Assessment.

*Sharon Kewley and Beverley Oakman left the meeting.*

#### **4. Strategic Improvement Programme update**

*Martin Walker, Associate Director, Corporate Performance and Risk, and David Blattman, HR&OD Manager, Corporate Services, joined the meeting.*

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

Martin invited Management Team to note the progress update on the Strategic Improvement Programme, on specific projects to discuss the outline plan for the refresh of Public Audit in Scotland and to discuss the updates on governance, reporting and resourcing, and on communications and engagement.

During detailed discussion, Management Team considered the detailed report and agreed additional commentary on financial management, investment and process be incorporated to provide assurance as part of ongoing reporting to Management Team, the Board and the Scottish Commission for Public Audit. Turning to the communication of the programme, Management Team noted that the programme will be considered at the Leadership Group meeting scheduled for 10 March 2021 and agreed engagement with colleagues should commence shortly thereafter.

Following discussion, Management Team noted the report and agreed additional commentary be incorporated. Management Team agreed further regular reporting be scheduled to Management Team as the Programme Board on financial investment, recruitment process and resourcing for the overall programme.

#### **5. Covid-19 verbal update**

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

During discussion, Management Team welcomed the continuing rollout of vaccines across the UK and in Scotland, noted the update on cases reported of the Brazilian variant and reflected on the UK press briefing for ongoing caution in relation to foreign travel.

Following discussion, Management Team welcomed the update.

*David Blattman left the meeting.*

#### **6. 2020/21 Q3 Corporate performance report**

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

Martin Walker introduced the 2020/21 Q3 Corporate performance report, copies of which had been previously circulated.

Martin invited Management Team to review the performance in quarter three and to consider whether any additional management action is required.

During detailed discussion, Management Team welcomed the overall performance reported and noted the proposal to reduce the RAG status in two areas. Management Team reflected specifically on the delivery of audit achieved while recognising the potential impact on audit delivery this year which is captured in the forward looking risk register. Management Team considered the management actions taken to date and forthcoming actions.

Following detailed discussion, Management Team welcomed the report and agreed further commentary be included to reflect the fast moving operating environment we continue to operate in, and further streamlining of the appendices prior to submission to the Board for its consideration on 24 March 2021.

*Martin Walker and Ian Metcalfe left the meeting.*

## **7. Draft Management Team agenda: 9 March 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 9 March 2021.

## **8. Draft Leadership Group agenda: 9 March 2021**

Management Team noted the proposed agenda for the meeting of the Leadership Group on 10 March 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 9 March 2021.

# Minutes

## Management Team

Tuesday 9 March 2021, 10.30am

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:

David Blattman, HR&OD Manager, Corporate Services  
Tracey Bray, Senior Business Partner, Operational Development  
Mark Taylor, Audit Director, Audit Services  
Fiona Diggle, Audit Manager, Performance Audit and Best Value  
Antony Clark, Audit Director, Performance Audit and Best Value  
Stuart Dennis, Corporate Finance Manager  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager  
Gayle Fitzpatrick, Corporate Finance Manager

## 1. Minutes of meeting 2 March 2021

The draft minutes dated 2 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment. Fraser McKinlay provided an update in relation to the Strategic Improvement Programme advising of a meeting scheduled with the Accounts Commission on Wednesday 10 March to discuss further engagement and updates on this key project.

### Confidential minutes of meeting on 2 March 2021

The draft confidential minutes dated 2 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Confidential item

This item is the subject of a separate confidential minute.

### Best Companies results

*Tracey Bray, Senior Business Partner, Operational Development joined the meeting.*

Tracey Bray introduced the Best Companies results report, copies of which had been previously circulated.

Management Team were invited to consider this report and the accompanying data before engaging in a discussion about the conclusions which can be drawn from the exceptionally positive feedback and participation from colleagues across Audit Scotland, consider the high-level messages for use in forthcoming communications with colleagues, and the proposed next steps.

During detailed discussion, Management Team welcomed the results from this year's survey with Audit Scotland achieving the rating of being a one star organisation. Management Team expressed their appreciation to colleagues for their ongoing engagement, commitment and achievement particularly in light of what has been an exceptionally challenging year.

Following discussion, Management Team considered and agreed next steps in terms of communication with colleagues, reporting to the Audit Scotland Board, Leadership Group, business groups and engagement with the PCS Chair.

Following discussion, Management Team welcomed the report.

*David Blattman and Tracey Bray left the meeting.*

### **3. Financial devolution and constitutional change Board update**

*Mark Taylor, Audit Director, Audit Services and Fiona Diggle, Audit Manager, Performance Audit and Best Value, joined the meeting.*

Mark Taylor introduced the Financial devolution and constitutional change Board update report, copies of which were previously circulated.

Management Team were invited to consider and comment on the update report to the Board which provided an update in relation to New Financial Powers, potential impact of the Scottish Budget and continued uncertainty around the impact of the withdrawal from the EU.

During detailed discussion, Management Team considered the report and agreed its submission to the Board subject to the inclusion of a summary on the position with EAFA audit and noted a verbal update would be provided to the Board on the Scottish Budget following the forthcoming announcement.

Management Team agreed they would welcome further consideration of any implications for Audit Scotland's budget and reporting as part of the more detailed review scheduled in light of the proposal to mainstream the programme of work into the cluster groups.

Following discussion, Management Team welcomed the report, agreed it would be helpful to communicate this internally and externally and proposed a series of drop-in sessions for colleagues.

*Fraser McKinlay and Fiona Diggle left the meeting.*

### **4. Covid-19: Following the pandemic pound strategy**

*Antony Clark, Audit Director, Performance Audit and Best Value joined the meeting.*

Antony Clark introduced the Covid-19: Following the pandemic pound strategy report, copies of which had been previously circulated.

Antony invited Management Team to consider the overall approach for the strategy and proposed future communication which had been developed with a range of colleagues.

During detailed discussion, Management Team welcomed the direction of travel and agreed they would welcome the inclusion of specific outputs, considered the resources required and links to other reporting on Covid-19, and the implications for budget and implications for additional fees.

Antony provided assurance that a proposed timeline for outputs will be developed to ensure our ability to independently measure, monitor and report on progress, advised discussions around resource was ongoing and consideration of engagement and communication is also underway.

Following discussion, Management Team welcomed the overall strategy, framework for reporting, coordination of resources and budget.

*Mark Taylor and Antony Clark left the meeting.*

## 5. Operational budget 2020/21

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the Operational budget 2020/21 report, copies of which had been previously circulated.

Stuart invited Management Team to consider and approve the 2021/22 operational budget for Audit Scotland which was based on the Budget submission which had been recommended by the Scottish Commission for Public Audit.

During discussion, Management Team noted the Scottish Government may announce amendments to the public sector pay guidance, subject to which they agreed the report be submitted to the Board.

Following discussion, Management Team approved Audit Scotland's 2021/22 operational budget.

*Stuart Dennis, left the meeting.*

## 6. Covid-19 update

*Martin Walker, Associate Director, Corporate Performance and Risk and Simon Ebbett, Communications Manager joined the meeting.*

Martin Walker introduced the Covid-19 update report to the Board, copies of which were previously circulated.

Martin invited Management Team to consider and comments on the report prior to its submission to the Board for consideration at its meeting on 24 March 2021.

During discussion, Management Team noted the actions taken to date in response to the Covid-19 pandemic, ongoing actions and next steps and subject to any further updates agreed it be submitted to the Board.

Martin provided an update on the latest reported numbers which continue to reduce and highlighted announcements from the first Minister this week which were anticipated to provide more detail around easing of restrictions and Scotland's proposed route map.

Following discussion, Management Team welcomed the update.

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

## 7. Data protection policy

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

Gayle Fitzpatrick introduced the Date protection policy report, copies of which had been previously circulated.

Gayle invited Management Team to consider and approve the submission of the revised Data protection policy for the approval of Board at its meeting on 24 March 2021.

Management Team considered the proposed minor amendments to the policy and following discussion recommended the policy for approval by the Board.

*Gayle Fitzpatrick left the meeting.*

## 8. Draft Management Team agenda: 16 March 2021

Management Team noted the proposed agenda for the meeting of Management Team on 16 March 2021.

**9. Draft Audit Partners agenda discussion: 29 March 2021**

Management Team discussed the proposed agenda for the meeting of the Audit Partners meeting scheduled for 29 March 2021 and agreed this would include an update on the Covid-19: Following the pandemic pound and subject to availability an update on the procurement timetable.

**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 16 March 2021.

# Minutes

## Management Team

Tuesday 16 March 2021, 10.30am

TEAMS Meeting

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### Present:

Fiona Kordiak (Chair)  
Stephen Boyle  
Antony Clark  
Fraser McKinlay  
Joy Webber (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

Derek Hoy, Audit Manager, Performance Audit and Best Value  
Simon Ebbett, Communications Manager  
Stuart Dennis, Corporate Finance Manager  
Martin Walker, Associate Director, Corporate Performance and Risk  
Gayle Fitzpatrick, Corporate Governance Manager

## 1. Minutes of meeting 9 March 2021

The draft minutes dated 2 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### Confidential minutes of meeting on 9 March 2021

The draft confidential minutes dated 9 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting. Management Team noted a further discussion on the recruitment campaign for an Audit Director was scheduled for the meeting on 23 March 2021.

## 2. Scottish Government Climate Change Plan: Draft public engagement strategy consultation response

*Derek Hoy, Audit Manager, Performance Audit and Best Value, joined the meeting.*

Derek Hoy introduced the Scottish Government Climate Change Plan: Draft public engagement strategy consultation response report, copies of which had been previously circulated.

Derek invited Management Team to consider and approve the draft response.

During detailed discussion, Management Team noted the proposed response and next steps.

Following discussion, Management Team agreed they were supportive of the response subject to the inclusion of additional wording to reflect the need for more detail about how the proposed strategy will be achieved and resource implications.

*Derek Hoy left the meeting.*

### **3. 2020/21 Annual report**

*Simon Ebbett, Communications Manager, and Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Simon Ebbett introduced the 2020/21 Annual report report, copies of which had been previously circulated.

Simon invited Management Team to approve the suggested themes and note the key dates set out in the report.

During discussion, Management Team considered the inclusion of a case study, noted there were no material changes in FREM reporting requirements and discussed the key themes proposed for Audit Scotland's 2020/21 annual report.

Following discussion, Management Team welcomed the report and agreed the inclusion of a case study to capture the resilience and sense of community throughout the year as the organisation responded to the pandemic, including the approach to audit response and delivery. In addition, Management Team noted additional information would be provided in relation to Audit Scotland's financial position and additional funding, with expansion of the section relating to health and wellbeing.

*Stuart Dennis left the meeting.*

### **4. Covid-19 verbal update**

*Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

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

During discussion, Management Team noted the overall numbers of reported new cases had reduced during the last week while the rollout of the vaccination programme continues.

Management Team noted the First Minister's statement was anticipated this afternoon on the reintroduction of a tier system together with the criteria applying to each level and the World Health Organisation meets today to discuss the Astra Zeneca vaccine.

Turning to the IMT meeting on Thursday, Management Team agreed the communication will reflect on the announcements and would also encourage colleagues to take regular time off to rest and recharge.

Following discussion, Management Team welcomed the update.

*Simon Ebbett and David Blattman left the meeting.*

### **5. Corporate Governance review of Board arrangements**

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

Gayle Fitzpatrick introduced the Corporate Governance review of Board arrangements report, copies of which had been previously circulated.

Gayle invited Management Team to note the findings of the review and to approve submission of the review to the Board at its meeting on 24 March 2021.

During discussion, Management Team welcomed the key areas of focus identified through engagement with the Board members, recognising the impact of the pandemic for new members joining the Board in terms of developing relationships, welcomed the revised style of the Board minutes and the Board's focus on Audit Scotland's future strategy. Management Team noted the developments underway to ensure continued openness and transparency of the Board as Audit Scotland moves to a hybrid working environment.

Following discussion, Management Team welcomed the report and approved its submission of the review to the Board.

*Gayle Fitzpatrick and Martin Walker left the meeting.*

## **6. Draft Management Team agenda: 23 March 2021**

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

## **7. Any other business**

There was no other business for discussion.

## **8. Date of next meeting**

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

# Minutes

## Management Team

Tuesday 23 March 2021, 10.00am

TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Fraser McKinlay  
Lorna McEwan (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Angela Canning, Audit Director, Performance Audit and Best Value  
Mark Taylor, Audit Director, Audit Services  
Michelle Borland, Business Manager, Performance Audit and Best Value  
David Blattman, HR&OD Manager  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager

#### 1. Minutes of meeting 16 March 2021

The draft minutes dated 16 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

#### 2. Confidential item

This item forms part of a separate confidential minute.

#### 3. Confidential item

This item forms part 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.

During discussion, Management Team noted the one-minute remembrance silence at 12:00 today and that around 28 million UK vaccinations had taken place, with 2.1 million of these taking place in Scotland. Martin also highlighted the recent local outbreak in West Lothian.

Simon highlighted the movement between the EU and UK government regarding the import/export of vaccines from Europe. Management Team also noted the recent email sent by Simon in respect of the British Academy report, published today on the forthcoming decade.

Following discussion, Management Team welcomed the update.

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

**5. Draft Management Team agenda: 30 March 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 30 March 2021, with the addition of a further discussion in respect of leadership group capacity.

**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 30 March 2021.

# Minutes

## Management Team

Tuesday 30 March 2021, 10.15am

TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Fraser McKinlay  
Lorna McEwan (Minutes)

### Apologies:

There were no apologies.

### In attendance:

David Blattman, HR&OD Manager  
Angela Canning, Audit Director, Performance Audit and Best Value  
Mark Taylor, Audit Director, Audit Services  
Susan Burgess, Assistant Human Resources Manager  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Claire Richards, Senior Auditor, Performance Audit and Best Value  
Erin McGinley, Correspondence Officer, Performance Audit and Best Value  
John Gilchrist, Manager, Audit Quality and Appointments  
Graeme Greenhill, Senior Manager, Performance Audit and Best Value  
Ian Metcalfe, Corporate Performance Officer  
Agata Maslowska, Auditor, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager

#### 1. Minutes of meeting 23 March 2021

The draft minutes dated 23 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

#### 2. Confidential minutes of meeting 23 March 2021

The draft confidential minutes dated 23 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

#### 3. Confidential item

This item forms part of a separate confidential minute.

#### 4. People Strategy 2021-23

*David Blattman, HR&OD Manager, Angela Canning, Audit Director, Performance Audit and Best Value, Mark Taylor, Audit Director, Audit Services, and Susan Burgess, Assistant Human Resources Manager, joined the meeting.*

David Blattman introduced the People Strategy 2021-23 report, copies of which had been previously circulated.

David invited Management Team to consider and approve the People Strategy.

During discussion, Management Team noted that the development of strategy was progressing well and agreed this would be considered further at the meeting of Management Team on 27 April 2021.

Stephen agreed to email suggested refinements to David outwith the meeting and David requested that a short discussion with individual members of Management Team be scheduled prior to 27 April to gather specific thoughts.

Management Team welcomed the progress made on the Strategy.

*Angela Canning, Mark Taylor and Susan Burgess left the meeting.*

## **5. Equalities outcomes report**

*Carolyn McLeod, Audit Director, Performance Audit and Best Value, Claire Richards, Senior Auditor, Performance Audit and Best Value, Erin McGinley, Correspondence Officer, Performance Audit and Best Value, and Joanna Mansell, Communications Adviser, Corporate Services, joined the meeting.*

Carolyn McLeod introduced the Proposed Equality Outcomes 2021-2025 report, copies of which had been previously circulated.

Carolyn invited Management Team to approve the updated Equality Outcomes report for the period 2021-2025.

During discussion, Management Team noted the recommendation made by the First Minister's National Advisory Council on Women and Girls in their recent report in respect of the Scottish Government Local Government and Public Bodies. Management Team agreed that Audit Scotland and the Accounts Commission's follow on recommendation is to consider producing a set of scrutiny principles to support this methodology/approach for public bodies would be reflected in the appendix to the report.

Carolyn informed Management Team that following an email from our Communications colleagues this morning, our *external* promotion activity would take place *after* the election.

Management Team welcomed the report and following discussion approved the Equality Outcomes 2021-2025 report.

*David Blattman, Carolyn McLeod, Claire Richards, Joanna Mansell and Erin McGinley left the meeting.*

## **6. Audit appointments to Ferguson Marine (Port Glasgow) and Scottish National Investment Bank 2020/21**

*John Gilchrist, Manager, Audit Quality and Appointments, joined the meeting.*

John Gilchrist introduced the Audit appointments to Ferguson Marine (Port Glasgow) and Scottish National Investment Bank 2020/21 report, copies of which had been previously circulated.

John invited Management Team to consider and comment on Audit Quality and Appointments' proposals for the appointments to Ferguson Marine (Port Glasgow), Scottish National Investment Bank, and Royal Botanic Gardens Edinburgh as set out in the report.

During discussion, Management Team noted that approach by the firms to taking on audits had changed and therefore our current approach would need careful consideration and refinement. The proposal to move to a 2-stage process was noted.

Following a question from Fiona, John confirmed that there had been no instrument laid for Scottish Futures Trust and would therefore have no 2019/20 audits under the AGS's remit.

A discussion followed on the process of fee setting for new audit appointments and Management Team noted that initial fees set previously for IJBs may not have been adequate.

Following discussion, Management Team agreed to consider fees at the proposal stage and approved the proposal of the appointments as set out in the report to the Auditor General for Scotland.

*John Gilchrist left the meeting.*

## **7. Environment, Sustainability and Biodiversity Plan 2020/21 to 2024/25**

*Graeme Greenhill, Senior Manager, Performance Audit and Best Value, Ian Metcalfe, Corporate Performance Officer, and Agata Maslowska, Auditor, Performance Audit and Best Value, joined the meeting.*

Graeme Greenhill introduced the Environment, Sustainability and Biodiversity Plan 2020/21 to 2024/25 report, copies of which had been previously circulated.

Graeme invited Management Team to consider and approve the Environment, Sustainability and Biodiversity Plan 2020/21 to 2024/25 and to comment on future areas of focus in relation to environmental issues.

During discussion, Management Team reflected on the ambition of the plan and the impact on the wider organisation. Management Team agreed it would be reasonable to invest in additional resources for the Green Future Team.

Following discussion, Management Team agreed a communication and engagement plan be developed and approved the Environment, Sustainability and Biodiversity Plan 2020/21 to 2024/25.

*Graeme Greenhill, Ian Metcalfe, and Agata Maslowska left the meeting.*

## **8. 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.

During discussion, Management Team noted the increase in numbers of those receiving second vaccinations. Management Team further noted that a briefing from the First Minister would take place later today and agreed that the focus of the next IMT discussion on 1 April 2021 would be on how restrictions in Scotland differ from the rest of the UK.

Following discussion, Management Team welcomed the update.

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

## **9. Draft Management Team agenda: 13 April 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 13 April 2021 and agreed that item 8, Draft Accounts Commission Committee agendas 29 April 2021, would be removed as the meetings would not now be taking place.

## **10. Draft Leadership Group agenda: 26 April 2021**

Management Team agreed that the agenda for the meeting of Leadership Group on 26 April 2021 would focus primarily on the People Strategy and future ways of working.

## **11. Draft Accounts Commission agenda: 15 April 2021**

Management Team noted the proposed agenda for the meeting of the Accounts Commission on 15 April 2021.

## **12. Draft Accounts Commission Strategy Seminar agenda: 20/21 April 2021**

Management Team noted the arrangements for the Strategy Seminar held by the Accounts Commission on 20 and 21 April 2021.

**13. Any other business**

There was no other business for discussion.

**14. Date of next meeting**

The next meeting of Management Team will take place on 13 April 2021.

# Minutes

## Management Team



Tuesday 13 April 2021, 10.00am

TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Stephen Boyle  
Fraser McKinlay

### In attendance:

Simon Ebbett, Communications Manager  
Gillian Woolman, Audit Director, Audit Services  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Carole Grant, Audit Director, Audit Services  
Martin Walker, Associate Director, Corporate Performance and Risk  
Gayle Fitzpatrick, Corporate Governance Manager

#### 1. Minutes of meeting 30 March 2021

The draft minutes dated 30 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

#### 2. Confidential minutes of meeting 30 March 2021

The draft confidential minutes dated 30 March 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

#### 3. Communications digest

*Simon Ebbett, Communications Manager, Gillian Woolman, Audit Director, Audit Services, Carolyn McLeod, Audit Director, Performance Audit and Best Value, and Carole Grant, Audit Director, Audit Services, joined the meeting.*

Simon Ebbett introduced the Communications digest, copies of which had been previously circulated.

Simon invited Management Team to consider the key issues reported and recurring themes highlighted.

During discussion, Management Team agreed that further engagement was required on the current approach and timing of responses on key issues, noted the proposed response to the Brydon/Kingsman/CMA consultation and welcomed the update on internal communications.

Following discussion, Management Team welcomed the report.

#### **4. Hotlist of audit issues and Statutory report log**

Gillian Woolman introduced the Hotlist of audit issues and Statutory report log, copies of which had been previously circulated.

Gillian invited Management Team to agree any actions required in response to the issues identified and the material presented.

During discussion, Management Team noted the complexities and strain on public services and finances and Management Team agreed further additional opportunities to comment on developing areas should be considered.

Following discussion, Management Team welcomed the report and discussion.

*Gillian Woolman, Carolyn McLeod and Carole Grant left the meeting.*

#### **5. Covid-19 verbal update**

*Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

Martin Walker provided a verbal update on developments in relation to Covid-19 including the easing of travel restrictions in Scotland and the continued rollout of vaccinations.

Following discussion, Management Team welcomed the update.

*Martin Walker and Simon Ebbett left the meeting.*

#### **6. Data Processor Agreements**

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

Martin Walker introduced the Data Processor Agreements report, copies of which had been previously circulated.

Martin invited Management Team to consider the current uncapped indemnity within the Data Processor Agreement (DPA) and agree that it be capped at £5,000,000.

During discussion, Management Team considered the impact of amending the terms and conditions and sought clarification on how this affected the forthcoming audit procurement, Audit Scotland's liability coverage and the scale of risk.

Following discussion, Management Team noted the risk assessment is relatively low and agreed in principle for the uncapped indemnity be revised to a capped level of £5,000,000 subject to the further clarification sought.

*Gayle Fitzpatrick left the meeting.*

#### **7. Draft Management Team agenda: 20 April 2021**

Management Team noted the proposed agenda for the meeting on 20 April 2021.

#### **8. Any other business**

There was no other business for discussion.

#### **9. Date of next meeting**

The next meeting of Management Team will take place on 20 April 2021.

# Minutes

## Management Team

Tuesday 20 April 2021, 10.00am

TEAMS Meeting

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### Present:

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

### Apologies:

Antony Clark

### 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  
Gordon Smail, Audit Director, Performance Audit and Best Value  
Gillian Woolman, Audit Director, Audit Services  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Bernadette Milligan, Audit Manager, Audit Services  
Ross Reid, Auditor, Audit Services  
Simon Ebbett, Communications Manager  
Martin Walker, Associate Director, Corporate Performance and Risk  
Gayle Fitzpatrick, Corporate Governance Manager

## 1. Minutes of meeting 13 April 2021

The draft minutes dated 13 April 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Draft Quality of public audit in Scotland 2020/21

*Elaine Boyd, Associate Director, Owen Smith, Senior Manager, John Gilchrist, Manager, Audit Quality and Appointments, Gordon Smail, Audit Director, Performance Audit and Best Value and Gillian Woolman, Audit Director, Audit Services, joined the meeting.*

Elaine Boyd introduced the Draft Quality of public audit in Scotland 2020/21 annual report, copies of which had been previously circulated.

Elaine invited Management Team to approve the draft Quality of public audit in Scotland (QPAS) report and draft Supplementary report 2020/21 in advance of being presented to the Auditor General for Scotland, Audit Quality Committee on 28 April 2021, Audit Committee on 12 May 2021 and the Accounts Commission on 13 May 2021 prior to final approval by the Board in June 2021.

During detailed discussion, Management Team welcomed the level of audit work completed despite in exceptional circumstances including the successful transformation in the way audit has been undertaken remotely. Management Team agreed that the robustness of the quality regime was sound, noted the areas of improvement identified and confirmed ongoing commitment to invest further in resource to support the improvement programme.

Management Team recorded their appreciation for the quality and delivery of the audits, noted welcomed results from the client survey, strong delivery and engagement despite the challenges faced by both auditors and public bodies alike.

Following discussion, Management Team noted the results by the quality review during 2020/21 and approved the Quality of public audit in Scotland report 2020/21 and Supplementary report, subject to agreed amendments.

### **3. Policy on the provision of Non-Audit Services by Audit Scotland's external auditor**

John Gilchrist introduced the Policy on the provision of Non-Audit Services by Audit Scotland's external auditor report, copies of which had been previously circulated.

John invited Management Team to consider and approve the Policy on the provision of Non-audit services.

Management Team noted that there were no changes to the ethical standards and following consideration of the minor amendments proposed, approved the policy.

Following discussion, Management Team welcomed the report.

### **4. Audit quality: Improvement actions**

Gordon Smail introduced the Audit quality: Improvements actions report, copies of which had been previously circulated.

Gordon invited Management Team to consider and comment on the report prior to its submission for consideration by the Audit Committee at its meeting on 12 May 2021.

Management Team noted the 11 recommendations made and the proposed next steps in order to respond quickly to the areas of improvement identified.

Management Team referred to their earlier discussion at item 2 of today's agenda and welcomed the analysis undertaken and the proposed actions to address and invest in the audit approach and improvement plan.

During detailed discussion, Management Team reflected on significant decisions taken last year, the commitment to maintain IFRS reporting standards, the decision to support audit delivery in light of the move to working online during the pandemic recognising that audited bodies were also balancing colleagues' wellbeing and audit delivery. Management Team took assurance from the commitment of colleagues and agreed their support for dedicated resources to support the improvement plan.

Following discussion, Management Team welcomed the proposal to report back throughout the year on progress and Management Team acknowledged the commitment of colleagues to continue to deliver world class audit.

**Action(s):**            **Regular updates on the improvement plan to be scheduled throughout the year.**

Following discussion, Management Team agreed a number of small amendments prior to submission to the Audit Committee.

*Elaine Boyd, Owen Smith, John Gilchrist, Gordon Smail and Gillian Woolman, left the meeting.*

### **5. 2019-2021 Mainstreaming equality and equality outcomes progress report**

*Carolyn McLeod, Audit Director, Performance Audit and Best Value, Bernadette Milligan, Audit Manager and Ross Reid, Auditor, Audit Services, joined the meeting.*

Carolyn McLeod introduced the 2019-2021 Mainstreaming equality and equality outcomes progress report, copies of which had been previously circulated.

Carolyn invited Management Team to consider the 2019-2021 Mainstreaming Equality and Equality Outcomes progress report and approve its submission to the Board for its consideration by correspondence and approval at its meeting on 19 May 2021.

During detailed discussion, Management Team welcomed the report which had been updated and structured to share progress against the outcomes and noted the Accounts Commission have considered and endorsed the report.

Following discussion, Management Team agreed the Progress Report be submitted to the Board for approval, subject to the amendments to make the report more accessible.

*Carolyn McLeod, Bernadette Milligan, Ross Reid and Lynn Conway, left the meeting.*

## **6. Confidential item**

This item is subject of a separate confidential minute.

## **7. Covid-19 verbal update**

*Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting with Simon Ebbett, Communications manager.*

Martin Walker provided a verbal update on developments in relation to Covid-19 including the anticipated announcement of further easing of restrictions in Scotland, the continued rollout of vaccinations and reports of a new Indian variant.

Management Team welcomed the early engagement of colleagues to the recent How we work survey and noted the absence outturn for quarter four had reduced.

Following discussion, Management Team welcomed the discussion.

*Simon Ebbett left the meeting.*

## **8. 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 review and comment on the updated risk register.

During detailed discussion, Management Team considered the proposed slight reduction to the reported risk status across the following areas, Health, Safety and Wellbeing, disruption as a result of the pandemic to Audit Scotland and audited bodies, overall financial position and capacity and deployment.

During detailed discussion, Management Team considered the proposed adjustments to the risk scores and agreed these. Turning to the risks relating to quality and reputation Management Team agreed these should be amended following consideration of the reports at item 2 and 4 of today's meeting.

Following discussion, Management Team welcomed the report.

*Martin Walker left the meeting.*

## **9. Draft Audit Committee agenda: 12 May 2021**

Management Team noted the proposed agenda for the meeting of the Audit Committee on 12 May 2021.

## **10. Draft Management Team agenda: 27 April 2021**

Management Team noted the proposed agenda for the meeting on 27 April 2021.

## **11. Any other business**

Fiona Kordiak advised Management Team of communication received from the Financial Reporting Council and a response was being considered.

There was no other business for discussion.

## **12. Date of next meeting**

The next meeting of Management Team will take place on 27 April 2021.

# Minutes

## Management Team

Tuesday 27 April 2021, 10.00am

TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Gordon Smail, Audit Director, Performance Audit and Best Value  
Gillian Woolman, Audit Director, Audit Services  
Martin Walker, Associate Director, Corporate Performance and Risk  
David Blattman, HR & OD Manager  
Gayle Fitzpatrick, Corporate Governance Manager  
Ian Metcalfe, Corporate Governance Officer  
Angela Canning, Audit Director, Performance Audit and Best Value  
Erin McGinley, Correspondence Officer, Performance Audit and Best Value  
Paul Reilly, Secretary to the Accounts Commission

### 1. Minutes of meeting 20 April 2021

The draft minutes dated 20 April 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Confidential minutes of meeting 20 April 2021

The draft confidential minutes dated 20 April 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### 3. Draft Audit Scotland Transparency Report for 2020

*Gordon Smail, Audit Director, Performance Audit and Best Value, and Gillian Woolman, Audit Director, Audit Services, joined the meeting.*

Gordon Smail introduced the Draft Audit Scotland Transparency Report for 2020, copies of which had been previously circulated.

Gordon invited Management Team to consider the draft Transparency Report for 2020 and comment on its format and content.

During discussion, Management Team welcomed the shorter more focussed report and noted the key areas highlighted. Management Team agreed some presentational amendments to the report, noting the Audit Quality Committee were scheduled to consider the report at its meeting on 28 April prior to submission to the Audit Scotland's Audit Committee on 12 May 2021, ahead of its planned publication in June 2021.

Following discussion, Management Team welcomed the comprehensive report.

*Gordon Smail and Gillian Woolman left the meeting.*

#### **4. Covid-19 verbal update**

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

Martin Walker provided a verbal update on developments in relation to Covid-19, highlighting the further easing of restrictions in Scotland, the continued rollout of the vaccination programme and ongoing reports of the Indian variant.

During discussion, Management Team welcomed the response to the colleague survey on the future ways of working and the opportunities to engage with colleagues at this week's drop in sessions.

Following discussion, Management Team welcomed the discussion.

*David Blattman left the meeting.*

#### **5. Review of Audit Scotland's Fraud Response Plan**

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

Martin Walker introduced the Review of Audit Scotland's Fraud Response Plan report, copies of which had been previously circulated.

Martin invited Management Team to note the review findings and approve the current version of the Fraud Response Plan.

During discussion, Management Team agreed further reference to external cyber-crime be included in the plan.

Following discussion, Management Team noted the review findings, agreed that the plan remains fit for purpose and no amendments are required, and approved the current version of the Fraud Response Plan.

#### **6. 2020/21 Annual reports**

Gayle Fitzpatrick introduced the suite of annual assurance reports for 2020/21, copies of which had been previously circulated.

Gayle invited Management Team to note the suite of reports and, subject to any amendments, approve the submission of reports as follows:

- Review of performance management arrangements, Information governance and security, Data incidents / loss, Hospitality and gifts, Bribery and fraud, Whistleblowing, and Correspondence and whistleblowing to the Audit Committee on 12 May 2021.
- Freedom of Information / Environmental Information Regulations and Complaints to the Board on 2 June 2021.

##### **a) Review of performance management arrangements**

Management Team noted the performance management arrangements in place, the ongoing and planned performance management developments in 2021/22, and agreed the report be submitted to the Audit Committee on 12 May 2021.

Management Team welcomed the positive assurance provided.

##### **b) Information governance and security**

Management Team noted the report and welcomed the proposal to re-run the information security training later in the year.

Following consideration of the report, Management Team agreed that it be submitted to the Audit Committee on 12 May 2021.

#### c) Data incidents / loss

Management Team noted the report and following consideration, Management Team agreed the report be submitted to the Audit Committee on 12 May 2021.

#### d) FOI / EIR

Management Team considered the report and following discussion agreed the report be submitted to the Board on 2 June 2021.

#### e) Complaints

Management Team noted there had been one complaint received and following discussion agreed the report be submitted to the Board on 2 June 2021.

#### f) Hospitality and gifts

Management Team noted the significant reduction in hospitality and gifts received and agreed the report be submitted to the Audit Committee on 12 May 2021.

#### g) Bribery and fraud

Management Team noted there were no instances of bribery or fraud to report and agreed the report be submitted to the Audit Committee on 12 May 2021.

#### h) Whistleblowing

Management Team noted there were no instances of whistleblowing reported and agreed the report be submitted to the Audit Committee on 12 May 2021.

#### i) Correspondence and whistleblowing

*Angela Canning, Audit Director, Performance Audit and Best Value, and Erin McGinley, Correspondence Officer, Performance Audit and Best Value, joined the meeting.*

Angela Canning introduced the 2020/21 Annual report on correspondence and whistleblowing, copies of which had been previously circulated.

Management Team considered the report and following discussion, agreed the report be submitted to the Audit Committee on 12 May 2021.

*Angela Canning and Erin McGinley left the meeting.*

## 7. Governance statement and certificate of assurance 2020/21

Gayle Fitzpatrick introduced the Governance statement and certificate of assurance 2020/21 report, copies of which had been previously circulated.

Gayle invited Management Team to consider the certificates of assurance to determine whether they raise any issues which should be drawn to the attention of the Audit Committee or the Audit Scotland Board at their meetings on 2 June 2021, alongside Audit Scotland's Annual report and accounts.

During discussion, Management Team welcomed the assurance provided and recognised the contributions and engagement from colleagues to provide the comprehensive assurance received.

Following discussion, Management Team agreed that there were no issues which should be drawn to the attention of either the Audit Committee or Audit Scotland Board and

recommended that the Chief Operating Officer submit an Audit Scotland certificate of assurance to the Audit Committee and Board.

## **8. Internal audit reports**

Gayle Fitzpatrick introduced the internal audit reports, copies of which had been previously circulated.

### **a) 2020/21 Annual report**

Management Team considered the 2021/21 Annual report from Audit Scotland's internal auditors BDO and agreed an amendment was required prior to consideration by the Audit Committee.

Following discussion, Management Team welcomed the report.

### **b) Follow up review**

Management Team considered the follow up review report and agreed the management response be updated in relation to recommendation one.

Following discussion, Management Team welcomed the report.

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

## **9. Draft Accounts Commission agenda: 13 May 2021**

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

Management Team noted the proposed agenda for the meeting of the Accounts Commission on 13 May 2021.

*Paul Reilly left the meeting.*

## **10. Draft Board agenda: 19 May 2021**

Management Team noted the proposed agenda for the meeting of Audit Scotland Board on 19 May 2021.

## **11. Draft Management Team agenda: 4 May 2021**

Management Team noted the proposed agenda for the meeting on 4 May 2021.

## **12. Any other business**

Diane McGiffen provided a verbal update on the 2021 Pay reward discussions with the PCS Union.

There was no other business for discussion.

## **13. Date of next meeting**

The next meeting of Management Team will take place on 4 May 2021.

# Minutes

## Management Team

Tuesday 4 May 2021, 10.00am

TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Gemma Diamond, Audit Director, Performance Audit and Best Value  
Mark Roberts, Audit Director, Performance Audit and Best Value  
Simon Ebbett, Communications Manager  
Patrick McFall, Communications Adviser  
Kirsty Gibbins, Communications Adviser  
Joanna Mansell, Communications Adviser  
David Blattman, HR & OD Manager  
Martin Walker, Associate Director, Corporate Performance and Risk  
Stuart Dennis, Corporate Finance Manager

## 1. Minutes of meeting 27 April 2021

The draft minutes dated 27 April 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Parliamentary engagement update

*Gemma Diamond, Audit Director, Performance Audit and Best Value, Mark Roberts, Audit Director, Performance Audit and Best Value, Simon Ebbett, Communications Manager and Patrick McFall, Communications Adviser, joined the meeting.*

Gemma Diamond and Mark Roberts introduced the Parliamentary engagement update report, copies of which were previously circulated.

Gemma and Mark invited Management Team to note the update on planning underway for parliamentary engagement during the earliest stages of the next session of the Scottish Parliament.

During detailed discussion, Management Team considered the purpose of and principles underpinning the proposed engagement plan and noted the distinct roles of the Auditor General for Scotland, Accounts Commission and Audit Scotland for their respective engagement with the Scottish Parliament. Management Team agreed that the forward work programme aligns with the plan and noted the additional support which may be required should the PAPLS committee undertake its own enquiries.

Following discussion, Management Team welcomed the report and agreed that a refreshed strategy would be scheduled to come back to Management Team after the election and following discussion with the Auditor General for Scotland and Accounts Commission.

**Action(s): Gemma Diamond and Mark Roberts to bring a refreshed engagement plan to Management Team after the election and following discussion with the Auditor General for Scotland and Accounts Commission. (May 2021)**

*Gemma Diamond, Mark Roberts, Simon Ebbett and Patrick McFall left the meeting.*

### **3. Audit Scotland 2021: Shaping our future**

*Kirsty Gibbins and Joanna Mansell, Communications Advisers and Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

Kirsty Gibbins introduced the Audit Scotland 2021: Shaping our future report, copies of which had been previously circulated.

Kirsty invited Management Team to consider and comment on the proposed content and format of this year's virtual seminar series and approve them so the next phase of planning and delivery can commence.

During discussion, Management Team welcomed the approach to align the online events with the Strategic Improvement Programme, Our Plan, and considered different formats to enable engagement with colleagues across a range of areas of interest. Management Team agreed a number of other key areas be included eg the forward work programme, IJBs and social care, cyber crime and fraud, inequalities and public finances.

Following discussion, Management Team welcomed the report and agreed with the next steps to schedule these sessions in during the year.

**Action(s): Kirsty Gibbins and Joanna Mansell to provide an update on progress. (July 2021)**

*Kirsty Gibbins, Joanna Mansell and Martin Walker left the meeting.*

### **4. Confidential item**

This item is subject of a separate confidential minute.

### **5. Diversity, equality and inclusion progress update**

*David Blattman, HR & OD Manager, joined the meeting.*

David Blattman introduced the Diversity, equality and inclusion progress update report, copies of which were previously circulated.

David invited Management Team to consider the update and our future plans.

During discussion, Management Team welcomed the increase in the number of applications from candidates from previously unrepresented backgrounds in the recent building capacity recruitment campaign, noted the assurance from Business in the Community of Audit Scotland's approach to diversity, equality and inclusion and welcomed the proposals set out to further develop our commitment.

Following discussion, Management Team welcomed the update.

### **6. Audit Scotland's pension arrangements**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

David Blattman introduced the Audit Scotland's pension arrangements report, copies of which were previously circulated.

David Blattman invited Management Team to consider this report and determine whether any further action is required prior to an updated report being provided to Remco for discussion on 12 May 2021.

During discussion, Management Team noted the current pension arrangements for Audit Scotland and an overview of the options for UK employers' pension provision.

Following discussion, Management Team agreed the inclusion of the associated financial cost of Audit Scotland's current pension arrangements be included in the briefing paper to Remco.

## **7. Review of Remco performance and identification of future priority areas**

David Blattman introduced the Review of Remco performance and identification of future priority areas report, copies of which were previously circulated.

Management Team were invited to take note and comment upon the work of the Committee during 2020/21 and to discuss and agree areas which the Committee should take forward as priority areas for 2021/22.

During discussion, Management Team considered the report and agreed the inclusion of Remco's consideration of a priority review of Audit Scotland's flexible working policy.

Following discussion, Management Team noted the report.

## **8. Covid-19 verbal update**

*Martin Walker, Associate Director, Corporate Performance and Risk re-joined the meeting and Simon Ebbett, Communications Officer joined the meeting.*

Martin Walker provided a verbal update on developments in relation to Covid-19, highlighting the further easing of restrictions in Scotland and the continued rollout of the vaccination programme.

Following discussion, Management Team welcomed the update and the level of second vaccinations being undertaken.

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

## **9. Q4 Financial performance report**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

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

Management Team were invited to discuss and note the financial results for the 12 months to 31 March 2021.

During discussion, Management Team noted the two provisions relating to the firms' costs for remote audit work and Audit Scotland's property strategy which if realised would be offset using the Management Contingency budget.

Following discussion, Management Team welcomed the report and thanked the Finance team for managing the outturn.

*Stuart Dennis left the meeting.*

## **10. Draft Remuneration and Human Resources Committee agenda: 12 May 2021**

Management Team noted the proposed agenda for the meeting of Audit Scotland Remuneration and Human Resources Committee on 12 May 2021.

### **11. Draft Management Team agenda: 11 May 2021**

Management Team noted the proposed agenda for the meeting on 11 May 2021.

### **12. Any other business**

Management Team considered the latest version of the Code and Audit Practice and agreed to consider the inclusion of amended wording to be considered by correspondence.

### **13. Date of next meeting**

The next meeting of Management Team will take place on 11 May 2021.

# Minutes

## Management Team

Tuesday 11 May 2021, 10.00am

TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

There were no apologies.

### In attendance:

David Blattman, HR&OD Manager  
Susan Burgess, Assistant HR Manager  
Charlotte Anderson, L&D Consultant  
Sharon Kewley, Business Support Manager  
Jim Cumming, Senior Auditor, Audit Services  
Gemma Diamond, Audit Director, Performance Audit and Best Value  
Michelle Borland, Business Manager, Performance Audit and Best Value  
Gordon Smail, Audit Director, Performance Audit and Best Value  
Elaine Barrowman, Senior Audit Manager, Audit Services  
Paul O'Brien, Senior Manager, Performance Audit and Best Value  
Anne Cairns, Manager, Performance Audit and Best Value  
Karen Cotterell, Senior Auditor, Audit Services  
Rebecca Smallwood, Senior Auditor, Performance Audit and Best Value  
Sarah Pollock, Audit Manager, Performance Audit and Best Value  
Parminder Singh, International Liaison Manager, Audit Services  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager  
Paul Reilly, Secretary to the Accounts Commission

### 1. Minutes of meeting 4 May 2021

The draft minutes and confidential minutes dated 4 May 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### 2. Confidential item

This item is subject of a separate confidential minute.

### 3. Health, Safety and Wellbeing Report (2020/21)

*Charlotte Anderson, L&D Consultant, David Blattman, HR&OD Manager, Sharon Kewley, Business Support Manager, and Jim Cumming, Senior Auditor, Audit Services, joined the meeting.*

Charlotte Anderson introduced the Health, Safety and Wellbeing Report (2020/21), copies of which were previously circulated.

Charlotte invited Management Team to note and comment upon the report prior to it being considered by the Audit Committee on 2 June 2021.

During discussion, Management Team welcomed the contributions from the Committee and colleagues across the organisation, noted the overall sickness levels and the initiatives to support colleagues through a significant year. Jim Cumming invited Management Team to note the PCS Union's thanks for their continued commitment for colleagues' wellbeing during the past year and Management Team considered the future initiatives.

Following discussion, Management Team welcomed the report.

*Charlotte Anderson, David Blattman, Sharon Kewley and Jim Cumming left the meeting.*

#### **4. Work programme update for the Board**

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

Gemma Diamond introduced the Work programme update for the Board report, copies of which were previously circulated.

Gemma invited Management Team to approve the update for the Audit Scotland Board on the dynamic approach to the forward work programme.

During discussion, Management Team noted the links to the SIP, investment in the programme and quarterly reporting to the SCPA, early engagement and proposed ongoing communication across the organisation and the development with input from the Communications team on the approach and delivery of outputs.

Following discussion, Management Team agreed a number of amendments to the update report prior to its consideration by the Audit Scotland Board at its meeting on 19 May 2021.

*Gemma Diamond and Mark Roberts left the meeting.*

#### **5. Professional Support: Performance summary for 2020/21 and plan for 2021/22**

*Gordon Smail, Audit Director, Performance Audit and Best Value, Elaine Barrowman, Senior Audit Manager, Audit Services, Paul O'Brien, Senior Manager, Performance Audit and Best Value, Anne Cairns, Manager, Performance Audit and Best Value, Karen Cotterell, Senior Auditor, Audit Services, Rebecca Smallwood, Senior Auditor, Performance Audit and Best Value, Sarah Pollock, Audit Manager, Performance Audit and Best Value, and Parminder Singh, International Liaison Manager, Audit Services, joined the meeting.*

Gordon Smail introduced the Professional Support: Performance summary for 2020/21 and plan for 2021/22 report, copies of which were previously circulated.

Gordon invited Management Team to note the Professional Support update, the overall performance in 2020/21 and the proposed future priorities for 2021/22.

During discussion, Management Team expressed their appreciation of the Professional Support teams' efforts in light of the level of professional advice and support provided to the audit teams over the year. Management Team acknowledged the likely increase in future demand in order to respond to ongoing developments and restated their commitment for investment in Audit Scotland's quality and improvement regime.

Following discussion, Management Team welcomed the report.

*Gordon Smail, Elaine Barrowman, Paul O'Brien, Anne Cairns, Karen Cotterell, Rebecca Smallwood and Sarah Pollock left the meeting.*

## 6. International work at Audit Scotland

Parminder Singh introduced the International work at Audit Scotland report, copies of which were previously circulated.

Parminder invited Management Team to consider and approve the 2020/21 International Annual Report prior to its submission to the Audit Scotland Board on 2 June 2021. He also invited Management Team to consider and comment on the draft International Strategy for 2021-24.

During discussion, Management Team reflected on the level of engagement and activity despite the pandemic and welcomed the links to the future focus and priorities around climate change and sustainability.

Following discussion, Management Team approved the 2020/21 International Annual Report ahead of its presentation to the Board on 2 June 2021.

*Parminder Singh left the meeting.*

## 7. 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, including the latest statistics and imminent announcement by the First Minister on the easing of restrictions.

Following discussion, Management Team welcomed the update.

### Board update report

Martin Walker introduced the Board update report, copies of which were previously circulated.

Martin invited Management Team to note the actions taken to date in response to the Covid-19 pandemic, including the ongoing actions and proposed next steps prior to its submission to the Board at its meeting on 19 May 2021.

During discussion, Management Team noted the actions taken to date in response to the Covid-19 pandemic, considered the ongoing actions and next steps and noted the report will be updated to reflect the latest position in relation to reported cases, vaccination rollout and changes in restrictions.

Following discussion, Management Team welcomed the report and agreed the report be submitted to the Board meeting on 19 May 2021.

## 8. Strategic Improvement Programme update

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

Martin invited Management Team to note the progress update on the Strategic Improvement Programme and welcomed any comments prior to its submission to the Board for its consideration on 2 June 2021.

During detailed discussion, Management Team welcomed the progress reported and noted the significant progress made in relation to the Code of Audit Practice, building capacity and the overall programme communication and engagement strategy.

Management Team also considered and welcomed the proposed schedule of Programme board meetings and governance arrangements and noted the proposed approach to quarterly updates on funding to the Scottish Commission for Public Audit.

Following discussion, Management Team welcomed the report and agreed additional information be included prior to its submission to the Board.

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

## **9. Draft agenda Accounts Commission Committees meetings: 27 May 2021**

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

Management Team noted the proposed agendas for the meetings of the Accounts Commission Committees on 27 May 2021.

*Paul Reilly left the meeting.*

## **10. Draft agenda Leadership Group meeting: 9 June 2021**

Management Team noted the proposed agenda for the meeting of Leadership Group on 9 June 2021.

## **11. Draft agenda Audit Partners meeting: 14 June 2021**

Management Team agreed this item be rescheduled to its next meeting on 25 May 2021.

## **12. Draft Management Team agenda: 18 May 2021**

Management Team noted the proposed agenda for the meeting on 18 May 2021 and agreed to take the financial outturn and Q4 corporate performance report by correspondence with the remaining items of business being considered at its next meeting on 25 May 2021.

## **13. Any other business**

There was no further business for discussion.

## **14. Date of next meeting**

The next meeting of Management Team will take place on 25 May 2021.

# Minutes

## Management Team



Tuesday 25 May 2021, 10.00am

TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Lorna McEwan (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Elaine Boyd, Associate Director, Audit Quality and Appointments  
John Gilchrist, Manager, Audit Quality and Appointments  
Stuart Dennis, Corporate Finance Manager  
Martin Walker, Associate Director, Corporate Performance and Risk  
David Blattman, HR&OD Manager  
Simon Ebbett, Communications Manager  
David Robertson, Digital Services Manager  
Paul Reilly, Secretary to the Accounts Commission

### 1. Minutes of meeting 11 May 2021

The draft minutes dated 11 May April 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Confidential Minutes of meeting on 11 May 2021

The draft confidential minutes dated 11 May April 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### 3. Remote auditing costs 2019-20

*Elaine Boyd, Associate Director, Audit Quality and Appointments, John Gilchrist, Manager, Audit Quality and Appointments and Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Management Team discussed a paper from AQA outlining additional costs arising from remote auditing. The significant variance in claims made by individual auditors was noted, including in comparison to in-house costs. There was agreement that additional payment was appropriate in the circumstances, but that more information was required to ensure the costs related to remote auditing only rather than additional audit risks at individual bodies. AQA was also requested to further consider the methodology for reimbursement to ensure both value-for-money and equity. A further report to Management Team was requested in June 2021.

Management Team welcomed the discussion.

#### **4. Audit appointment changes in Audit Services Group 2020/21**

Elaine Boyd introduced the Audit appointment changes in Audit Services Group 2020/21 report, copies of which were previously circulated.

Management Team was invited to consider and comment on AQA's proposals for appointments to Scottish Qualifications Authority, Education Scotland and Dundee and Angus College by the Auditor General for Scotland.

During discussion, Management Team reflected on the range of views in respect of Audit Scotland delegated audits and the resourcing issues around these. It was agreed that this would be considered more fully at a future meeting of Management Team.

Following discussion, Management Team approved AQA's proposals for appointments to Scottish Qualifications Authority, Education Scotland and Dundee and Angus College by the Auditor General for Scotland.

*Elaine Boyd, John Gilchrist and Stuart Dennis left the meeting.*

#### **5. Confidential item**

This item is subject of a separate confidential agenda.

#### **6. 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 that the number of missed C-19 vaccine appointments had increased.

A discussion followed on IMT in-house meetings and it was agreed that the link would continue to be circulated and a paper would be circulated only if anything of great significance had arisen during that particular week.

Following discussion, Management Team welcomed the update.

#### **7. Counter fraud policy review**

David Blattman introduced the Counter fraud policy review, copies of which had been previously circulated.

Management Team members were invited to consider the updated Counter Fraud Policy and following brief discussion, approved the policy, prior to submission to the Board on 2 June 2021.

*David Blattman left the meeting*

#### **8. Options for livestreaming virtual, face-face and hybrid meetings**

*Paul Reilly, Secretary to the Accounts Commission, Martin Walker, Associate Director, Corporate Performance and Risk, and David Robertson, Digital Services Manager, joined the meeting.*

Paul Reilly introduced the Options for livestreaming virtual, face-face and hybrid meetings report, copies of which had previously been circulated.

Management Team was invited to note plans to livestream the first virtual Commission meeting on 10 June 2021, advise on options for funding livestreaming virtual Commission and Audit Scotland Board meetings beyond August 2021 and advise on whether they support options one, two or three in the longer term.

During discussion, Management Team considered the options set out, reflected on the appetite of users and the cost/benefit analysis over the longer term. David Robertson advised Management Team of the recent updates in respect of Microsoft Teams and the value for money advantages of utilising this. It was agreed that Paul would give further thought to staff engagement, particularly in respect of GDPR and a cautious approach would be adopted.

Following discussion, Management Team agreed on a medium-term investment for hybrid meetings; agreed to investigate the appetite (and permission) of potential users; and to experiment with options in a limited way. It was further agreed that a trial run of livestreaming would take place at the Accounts Commission meeting on 10 June 2021.

*Paul Reilly and David Robertson left the meeting.*

## **9. Governance arrangements: review of standing orders (draft Board report)**

Martin Walker introduced the Governance arrangements: review of standing orders (draft Board report), copies of which had previously been circulated.

Martin invited Management Team to review and comment on the review of standing orders, prior to consideration by the Audit Scotland Board.

Management Team approved the report, subject to minor amendment.

## **10. Review of risk register**

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

Martin invited Management Team to review and comment on the updated risk register.

Martin highlighted the three changes in the register relating to risks for action and a discussion followed on suggested refinements.

Following discussion, Management Team approved the report, subject to minor amendment.

*Martin Walker left the meeting.*

## **11. Draft agenda Accounts Commission meeting: 10 June 2021**

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

Management Team noted the proposed agenda for the meeting of the Accounts Commission on 10 June 2021, subject to the *Housing benefit: Impact of Covid-19 on benefit services – draft report*, being rescheduled to a later date.

*Paul Reilly left the meeting.*

## **12. Draft agenda Audit Partners meeting: 14 June 2021**

Management Team discussed potential agenda items for the meeting of Audit Partners on 14 June 2021 and suggested ways of optimising engagement across the board. Suggested items included procurement; remote auditing; Public Audit in Scotland; Scottish Parliament – new priorities; and the base consultation charge.

## **13. Draft Management Team agenda: 1 June 2021**

Management Team noted the proposed agenda for the meeting on 1 June 2021. It was agreed that Audit Directors with a particular interest in our response to the BEIS consultation; People Strategy; and Workforce Plan, would be invited to attend for those items.

**14. Any other business**

There was no further business for discussion.

**15. Date of next meeting**

The next meeting of Management Team will take place on 1 June 2021.

## Management Team

Tuesday 1 June 2021, 10.00am

TEAMS Meeting

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### Present:

Stephen Boyle (Chair)  
Antony Clark  
Fiona Kordiak  
Lorna McEwan (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

Sally Thomson, Audit Manager, Performance Audit and Best Value  
Paul O'Brien, Senior manager, Performance Audit and Best Value  
Gillian Woolman, Audit Director, Audit Services  
Angela Canning, Audit Director, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
David Blattman, HR&OD Manager, Human Resources  
Susan Burgess, Assistant HR Manager, Human Resources  
Charlotte Anderson, L&D Consultant, Human Resources  
Simon Ebbett, Communications Manager  
Stuart Dennis, Corporate Finance Manager

## 1. Minutes of meeting 25 May 2021

The draft minutes dated 25 May 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Confidential Minutes of meeting on 25 May 2021

The draft confidential minutes dated 25 May 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 3. Auditing climate change

*Sally Thomson, Audit Manager, Performance Audit and Best Value joined the meeting.*

Sally Thomson introduced the Auditing climate change report, copies of which had been previously circulated.

Management Team were invited to comment on Audit Scotland's work and plans for auditing climate change plans.

Following discussion, Management Team acknowledged the level of Parliamentary and public interest around this topic and recognised that we would need to carefully balance our ambitions with our resources.

Management Team noted that in advance of the Glasgow Climate change conference, we would issue a public statement setting out the audit issues and the work we are planning to do. The timing of this statement would allow us to engage with Scottish Parliament beforehand.

Management Team acknowledged the impact of climate change on annual audit work and what this might mean should more work be needed in preparation for this.

Sally confirmed her intention to seek feedback at a superteam level and reported that following discussion, would be included in the planning guidance rather than the Code.

Management Team welcomed the discussion and looked forward to a further discussion in the autumn.

**Action(s):**            **A public statement setting out the audit issues to be prepared. (July 2021).**

**An update report to be scheduled. (September 2021)**

*Sally Thomson left the meeting.*

#### **4. Restoring Trust in Audit and Corporate Governance: Consultation on the Government's Proposals**

*Paul O'Brien, Senior Manager, Performance Audit and Best Value, Gillian Woolman, Audit Director, Audit Services, Angela Canning, Audit Director, Performance Audit and Best Value joined the meeting.*

Paul O'Brien introduced the Restoring Trust in Audit and Corporate Governance: Consultation on the Government's Proposals report, copies of which had been previously circulated.

Management Team were invited to consider and comment on the paper and the proposed content of an Audit Scotland response to the consultation.

During discussion, Management Team reflected on the Kingman Independent Review of the FRC, CMA's Statutory Audit Services Market Study and Brydon's Independent Review of the Quality and Effectiveness of Audit.

Following discussion, it was agreed that the final draft response to the consultation would be considered again by Management Team, no later than 22 June 2021, along with the proposed covering letter.

**Action(s):**            **The final draft response to the consultation to be considered by Management Team by 22 June 2021.**

*Paul O'Brien, Gillian Woolman and Angela Canning left the meeting.*

#### **5. People strategy 2021-23**

*David Blattman, HR&OD Manager, Human Resources, Martin Walker, Associate Director, Corporate Performance and Risk, Susan Burgess, Assistant HR Manager, Human Resources, Charlotte Anderson, L&D Consultant, Human Resources, Simon Ebbett, Communications Manager and Stuart Dennis, Corporate Finance Manager, joined the meeting.*

David Blattman introduced the People strategy 2021-23, copies of which had been previously circulated.

Management Team were invited to approve the Audit Scotland's draft People Strategy 2021-23.

During discussion, Management Team welcomed the reduction from seven strands to five strands and was content with the branding of these.

Management Team welcomed the consideration to learning and development and agreed a further discussion be scheduled for a later meeting of Management Team.

Following discussion, agreed that further reflection of the People Strategy 2021-23 alongside the Workforce Plan would be beneficial and would therefore be considered again on 29 June 2021.

**Action(s):** A further discussion on learning and development to be scheduled. (29 June 2021)

A further update on the People Strategy and Workforce Plan to be considered on 29 June 2021.

*David Blattman, Susan Burgess, Charlotte Anderson, Martin Walker and Stuart Dennis left the meeting.*

## 6. Communications digest

Simon Ebbett introduced the Communications digest, copies of which had been previously circulated.

Simon invited Management Team to note the key highlights reported.

A discussion followed on our social media coverage and Simon agreed that the Comms team would investigate methods to increase our exposure.

Management Team welcomed the update and subsequent discussion.

## 7. Hotlist of audit issues and Statutory report log

*Angela Canning, Audit Director, Performance Audit and Best Value re-joined the meeting with Simon Ebbett.*

Angela Canning introduced the Hotlist of audit issues and Statutory report log, copies of which had been previously circulated.

Angela invited Management Team to agree any action required in response to the issues identified and the material presented. Management Team was also invited to consider the refreshed strategic public sector risks and issues and our plan to make this available on the website.

Management Team reflected on the contents of the paper and thanked all for contributions.

Management Team welcomed the refreshed strategic public sector risks and issues *one-page* document and agreed that the document would be shared internally. Following discussion in respect of transparency, it was agreed that the document would be added to our external website with a clear connection to the work programme.

Following discussion, Management Team welcomed the report.

*Angela Canning and Simon Ebbett left the meeting.*

## 8. Covid-19 verbal update

Management Team confirmed that it was content with the paper on developments in relation to Covid-19 and that further discussion was not needed, on this occasion. IMT would convene on Thursday as normal practice.

## 9. Draft Management Team agenda: 8 June 2021

Management Team noted the proposed agenda for the meeting on 8 June 2021.

## 10. Any other business

There was no further business for discussion.

## 11. Date of next meeting

The next meeting of Management Team will take place on 8 June 2021.

# Minutes

## Management Team

Tuesday 8 June 2021, 10.00am

TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

There were no apologies

### In attendance:

Gillian Woolman, Audit Director, Audit Services  
Elaine Barrowman, Senior Audit Manager, Audit Services  
Mark Taylor, Audit Director, Audit Services  
Fiona Diggle, Audit Manager, Performance Audit and Best Value  
Tricia Meldrum, Senior Manager, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
David Blattman, HR&OD Manager, Human Resources  
Simon Ebbett, Communications Manager  
Sharon Kewley, Business Support Manager, Corporate Services  
Michael Oliphant, Audit Director, Audit Services

## 1. Minutes of meeting 1 June 2021

The draft minutes dated 1 June 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

## 2. Progress on Quality Improvement Actions

*Gillian Woolman, Audit Director, Audit Services, and Elaine Barrowman, Senior Audit Manager, Audit Services, joined the meeting.*

Elaine Barrowman introduced the Progress on Quality Improvement Actions report, copies of which had been previously circulated.

Gillian invited Management Team to review and comment on the improvement activity taken to date and progress against the updated improvement plan.

During discussion, Management Team noted the significant progress reported and areas of ongoing development following the recommendations received from ICAS. In addition, Management Team welcomed the development of a route map by Audit Services Group Management Team to respond to the recommendations, communication with colleagues, training undertaken, the production of supplementary guidance, assurance around judgements together with the enhanced robustness around and resource proposed for the internal quality assurance process and hot reviews.

Management Team recognised the efforts and engagement by colleagues in responding to the reviews, welcomed the investment in resource, pace of implementation and recognised the need to remain flexible and prioritise where audit deadlines are moving.

Following detailed discussion, Management Team welcomed the report and discussion, recognising the ongoing communication and support required to maintain continued development to maintain delivery of world class public audit.

### **3. Audit Services Group root cause analysis**

Gillian Woolman introduced the Audit Services Group root cause analysis report, copies of which had been previously circulated.

Gillian invited Management Team to note and consider the root cause analysis letter which has been submitted to the Audit Quality and Appointments team and the proposed exploration of rebalancing of corporate priorities to support the investment of engagement lead time in audit.

During detailed discussion, Management Team considered the breadth of the role of engagement leads both internally and externally, the personal and professional responsibility of auditors in their key audit judgments together with the ambition, resource and capacity to strengthen the audit quality process.

Following discussion, Management Team welcomed the report and agreed further discussion on the leadership role and responsibilities for the short term and medium term at the next Leadership Group meeting would be welcomed.

*Gillian Woolman and Elaine Barrowman left the meeting.*

### **4. New Financial Powers and Constitutional Change – legacy paper and next steps**

*Mark Taylor, Audit Director, Audit Services, and Fiona Diggle, Audit Manager, Performance Audit and Best Value, joined the meeting.*

Mark Taylor introduced the New Financial Powers and Constitutional Change – legacy paper and next steps report, copies of which had been previously circulated.

Mark invited Management Team to note the update and legacy papers, including oversight of the New Financial Powers and Constitutional Change (NFPCC) growth budgets which will be incorporated into the Building Capacity project; to consider whether the proposed approach to the remaining NFPCC tasks, including the proposed approach to supporting Audit Scotland Board and the Accounts Commission, is sufficient and appropriate and to approve the proposed cessation of the NFPCC Strategic Group.

During discussion, Management Team recognised and reflected on the impact and influence of this work and acknowledged the contribution of the team over the past five years. Management Team also considered and agreed with the approach to mainstream the work and resourcing required and proposal to host a knowledge café to be held over the Summer.

Following discussion, Management Team welcomed the report, approved the cessation of the NFPCC Strategic Group and agreed that future reporting would be scheduled as and when there are significant updates to report.

*Mark Taylor and Fiona Diggle left the meeting.*

### **5. Report on Audit Scotland's youth panel**

*Tricia Meldrum, Senior Manager, Performance Audit and Best Value, joined the meeting.*

Tricia Meldrum introduced the Report on Audit Scotland's youth panel, copies of which had been previously circulated.

Tricia invited Management Team to consider the report and approve the recommendations.

During discussion, Management Team welcomed the contribution of the team and how this approach has broadened Audit Scotland's reach and engagement with young people, recognised the impact achieved so far, explore further opportunities and would welcome engagement with colleagues on this approach overall.

Following discussion, welcomed the report and supported the recommendations.

*Tricia Meldrum left the meeting.*

## **6. Covid-19**

*Martin Walker, Associate Director, Corporate Performance and Risk, David Blattman, HR&OD Manager, Human Resources, Simon Ebbett, Communications Manager, Sharon Kewley, Business Support Manager, Corporate Services, and Michael Oliphant, Audit Director, Audit Services, joined the meeting.*

### **Covid-19 update**

Management Team noted the update and the First Minister's announcement scheduled for later in the day.

### **Access to workplaces**

Martin Walker introduced the Access to workplaces report, copies of which had been previously circulated.

Martin invited Management Team to agree the principles, criteria and conditions for providing access to workplaces; to discuss and agree the purposes for such access, using a phased approach; and to agree the next steps.

During detailed discussion, Management Team considered the proposed decision points throughout the remainder of 2021, discussed the guiding principles to support future phased access to workplaces and noted the operational arrangements still to be considered.

Following discussion, Management Team welcomed the report and agreed a communication would be shared with colleagues later in the week around the principles and decision points for the phased approach to colleagues return to workplaces.

### **EFAFA 2021 Audit: Proposal for returning to physical inspections**

Michael Oliphant introduced the EFAFA 2021 Audit: Proposal for returning to physical inspections report, copies of which had been previously circulated.

Michael invited Management Team to consider the proposal to allow the audit team delivering the EFAFA audit to attend site locations given the physical requirements of this work.

Management Team considered the proposal and agreed the same principles will apply for Phase 1 access to workplaces.

### **Internal Audit Report – Covid-19, Health, Safety and Wellbeing**

Martin Walker introduced the Internal Audit Report – Covid-19, Health, Safety and Wellbeing report, copies of which had been previously circulated.

Martin invited Management Team to first audit of this year's plan and the substantial assurance received.

Management Team considered the report and assurance received and reflected on the work and contribution of colleagues to support the organisation's response during the pandemic.

Following discussion, Management Team welcomed the assurance provided.

*Martin Walker, David Blattman, Simon Ebbett, Sharon Kewley and Michael Oliphant left the meeting.*

**7. Draft Management Team agenda: 22 June 2021**

Management Team noted the proposed agenda for the meeting on 22 June 2021.

**8. Any other business**

There was no further business for discussion.

**9. Date of next meeting**

The next meeting of Management Team will take place on 22 June 2021.

# Minutes

## Management Team

Tuesday 22 June 2021, 10.00am

TEAMS Meeting

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### Present:

Antony Clark (Chair)  
Stephen Boyle  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

David Blattman, HR&OD Manager, Human Resources  
Gordon Robertson, L&D Advisor, Human Resources  
Amy Smith, Business in the Community  
Georgia Watson, Business in the Community  
Blessing Buraimoh, Business in the Community  
Paul O'Brien, Senior Manager, Performance Audit and Best Value  
Stuart Dennis, Corporate Finance manager

## 1. Minutes of meeting 8 June 2021

The draft minutes dated 8 June 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

## 2. Diversity, Equality and Inclusion

*David Blattman, HR&OD Manager and Gordon Robertson, L&D Advisor, Human Resources, Amy Smith, Georgia Watson and Blessing Buraimoh, Business in the Community joined the meeting.*

David Blattman introduced the Diversity, Equality and Inclusion report, copies of which had been previously circulated.

Management Team were invited to consider the material accompanying to support today's discussion.

Following introductions, Management Team welcomed Business in the Community's engagement with colleagues from across the organisation and the opportunity to consider Audit Scotland's ambition in this area.

During detailed discussion, Management Team explored the challenges facing Audit Scotland as an employer, the reach of the work we do and how our role as public auditors can achieve the best impact for all users of public services. Management Team considered the benefits of creating a Diversity, Equality and Inclusion Committee, to provide governance around and raise awareness of Audit Scotland's commitment and recognised the need to build on the knowledge and experience to overcome perceived barriers to embed diversity, equality and inclusion in everything we do.

Following discussion, Management Team recognised the work undertaken so far and agreed the next steps to build on the commitment to Audit Scotland's ambition. David Blattman agreed to liaise with Fiona Kordiak on next steps.

*David Blattman and Gordon Robertson left the meeting.*

### **3. Restoring Trust in Audit and Corporate Governance: Response to consultation on the Government's proposals**

*Paul O'Brien, Senior Manager, Performance Audit and Best Value*

Paul O'Brien introduced the Restoring Trust in Audit and Corporate Governance: Response to consultation on the Government's proposals report, copies of which had been previously circulated.

Management Team were invited to consider and comment on the content of the Audit Scotland response to the consultation, and on the next steps.

During discussion, Management Team welcomed the earlier discussion and updated response to the consultation.

Following discussion, Management Team agreed a number of suggested amendments and noted the proposed next steps. Paul O'Brien agreed to liaise with Fiona Kordiak on the updated response prior to submission.

**Action(s):** **Paul O'Brien to liaise with Fiona Kordiak to agree the response to the consultation. (June 2021)**

*Paul O'Brien left the meeting.*

### **4. 2022/23 Budget assumptions and timetable**

*Stuart Dennis, Corporate Finance manager joined the meeting.*

Stuart Dennis introduced the 2022/23 Budget assumptions and timetable report, copies of which had been previously circulated.

Management Team were asked to approve the initial assumptions to be used in the draft budget submission and to also agree the 2022/23 budget timetable.

During discussion, Management Team considered the proposed reduction in capital budget for 2022/23, and the budget assumptions around digital support, delivery of quality and improvement, activity on Our Plan and the new audit procurement round. Management Team noted the Finance Team's oversight in relation to future office remodelling and the forthcoming rent reviews for our offices.

Following discussion, Management Team welcomed the report, agreed the assumptions set out which will be developed further to inform a future discussion on funding and fees.

*Stuart Dennis left the meeting.*

### **5. Covid-19**

Management Team noted the update provided.

### **6. Draft Management Team agenda: 29 June 2021**

Management Team noted the proposed agenda for the meeting on 29 June 2021.

### **7. Any other business**

There was no further business for discussion.

## **8. Date of next meeting**

The next meeting of Management Team will take place on 29 June 2021.

# Minutes

## Management Team

Tuesday 29 June 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

There were no apologies

### In attendance:

David Blattman, HR&OD Manager, Human Resources  
Gordon Robertson, L&D Advisor, Human Resources  
John Cornett, Audit Director, Audit Services  
Neil Cameron, Manager, Performance Audit and Best Value  
Paul O'Brien, Senior Manager (Technical), Performance Audit and Best Value  
Michael Oliphant, Audit Director, Audit Services  
Angela Canning, Audit Director, Performance Audit and Best Value  
Charlotte Anderson, L&D Consultant, Human Resources  
Elaine Boyd, Associate Director, Audit Quality and Appointments  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager  
John Gilchrist, Manager, Audit Quality and Appointments  
Gayle Fitzpatrick, Corporate Governance Manager  
Ian Metcalfe, Corporate Performance Officer

## 1. Minutes of meeting 22 June 2021

The draft minutes dated 22 June 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. People Strategy 2021-23 Audit Scotland Academy

*David Blattman, HR&OD Manager, Human Resources, Gordon Robertson, L&D Advisor, Human Resources, John Cornett, Audit Director, Audit Services, Neil Cameron, Manager, Performance Audit and Best Value, Paul O'Brien, Senior Manager (Technical), Performance Audit and Best Value, Michael Oliphant, Audit Director, Audit Services, Angela Canning, Audit Director, Performance Audit and Best Value, Charlotte Anderson, L&D Consultant, Human Resources, Elaine Boyd, Associate Director, Audit Quality and Appointments, Martin Walker, Associate Director, Corporate Performance and Risk and Simon Ebbett, Communications Manager joined the meeting.*

David Blattman introduced the People Strategy 2021-23 Audit Scotland Academy report, copies of which had been previously circulated.

Management Team were invited to consider the presentation and discuss the development of the Audit Scotland Academy.

During detailed discussion, Management Team explored the scope of the Academy and considered the project communication plan, proposed timeline and next steps, proposed resource needs and future reporting arrangements through the Strategic Improvement Plan Programme Board.

Following discussion, Management Team welcomed the discussion, recognised the ambition of the concept and agreed further consideration and development of the proposal was required including links to Our Plan, L&D programme and engagement with other audit providers in advance of a further discussion to be scheduled.

**Action: A further discussion to be scheduled following further development of the proposed Academy. (August 2021)**

*David Blattman, Gordon Robertson, John Cornett, Neil Cameron, Paul O'Brien, Michael Oliphant, Angela Canning, Charlotte Anderson, Martin Walker and Simon Ebbett left the meeting.*

### **3. Remote auditing costs 2019-20**

*John Gilchrist, Manager, Audit Quality and Appointments joined the meeting.*

Elaine Boyd introduced the Remote auditing costs 2019-20 report, copies of which had been previously circulated.

Elaine invited Management Team to approve expenditure of £256,900 in the allocation in order to pay the firms' remote audit costs as set out in the report.

During discussion, Management Team considered the proposed allocation and sought clarification on the methodology used to recompense each of the firms for 2019/20 audits, the viability of the proposal and engagement with the firms regarding the agreed fee range for additional costs for 2020/21.

John Gilchrist provided clarification on the methodology used to support the proposed allocations and agreed to revert to Management Team on a specific calculation contained in the report. Elaine provided assurance around engagement with audit firms.

Following discussion, Management Team agreed to consider the recommendation for an interim payment on account via correspondence and that a further detailed report would be scheduled to conclude this matter.

**Actions: Management Team to consider a proposed interim payment via correspondence. (July 2021)**

**A further report to be scheduled to conclude payments of additional audit fees. (July 2021)**

*Elaine Boyd and John Gilchrist left the meeting.*

#### **4. Public Services Reform (Scotland) Act – Draft statement on exercise of public functions**

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

Ian Metcalfe introduced the Public Services Reform (Scotland) Act – Draft statement on exercise of public functions, copies of which had been previously circulated.

Ian invited Management Team to consider and approve the statements and to recommend the publication of the statements.

Management Team considered the statements and following discussion recommended the publication of the statements.

*Gayle Fitzpatrick and Ian Metcalfe left the meeting.*

#### **5. Draft Management Team agenda: 20 July 2021**

Management Team noted the proposed agenda for the meeting on 20 July 2021.

#### **6. Any other business**

There was no further business for discussion.

#### **7. Date of next meeting**

The next meeting of Management Team will take place on 20 July 2021.

# Minutes

## Management Team

Tuesday 20 July 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Antony Clark  
Fiona Kordiak  
Lorna McEwan (Minutes)

### Apologies:

Stephen Boyle

### In attendance:

David Robertson, Digital Services Manager  
Paul O'Brien, Senior Manager (Technical), Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
Stuart Dennis, Corporate Finance Manager  
Simon Ebbett, Communications Manager

### 1. Minutes of meeting 29 June 2021

The draft minutes dated 29 June 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Confidential item

This item forms part of a separate confidential minute.

### 3. Guidance on planning 2021/22 audits

*Paul O'Brien, Senior Manager (Technical), Performance Audit and Best Value joined the meeting.*

Paul O'Brien introduced the approach to Guidance on planning 2021/22 audits report, copies of which had been previously circulated.

Management Team was invited to comment on the approach proposed by Professional Support to the guidance on planning 2021/22 audits.

During detailed discussion, Management Team considered the proposal to return to traditional audit deadlines but recognised that this may not be feasible in many cases and agreed engagement with auditors was required on a phased approach to returning to audit deadlines with exploration on the issues across sectors, prior to consultation of the 2021/22 guidance. It was also agreed that where work on specific areas had paused, decisions would be taken within each sector on how to address the backlog of work and expectations.

Management Team welcomed the discussion and noted that the draft Guidance on planning 2021/22 audits would be considered at a future meeting.

*Paul O'Brien left the meeting.*

#### **4. Financial update for the Scottish Commission for Public Audit**

*Martin Walker, Associate Director, Corporate Performance and Risk, Stuart Dennis, Corporate Finance Manager and Simon Ebbett, Communications Manager joined the meeting.*

Martin Walker introduced the Financial update for the Scottish Commission for Public Audit report, copies of which had been previously circulated.

Management Team was invited to consider the most appropriate method of communication to respond to the SPCA's request to the Auditor General for a quarterly update on expenditure from the management contingency and to consider the draft response.

During detailed discussion, Management Team was supportive of a streamlined letter along with an appendix, detailing the proposed spend.

It was further agreed that the draft letter would be shared with Board members as correspondence, prior to submission to SPCA.

Management Team welcomed the discussion.

*Stuart Dennis left the meeting.*

#### **5. Covid-19 Link to external summary document**

Management Team noted cluster of increased infections in the East and the further easing of restrictions planned for 9 August 2021. It was agreed that the IMT agenda on 22 July would incorporate a discussion around attendance at Scottish Parliaments' hybrid meetings and wider audit committee meetings.

#### **6. Draft Management Team agenda: 27 July 2021**

Management Team noted the proposed agenda for the meeting on 27 July 2021, subject to the inclusion of the Draft Leadership Group agenda: 25 August 2021.

#### **7. Draft Audit Partners agenda: 18 August 2021**

Management Team considered the proposed agenda for the meeting of Audit Partners on 18 August 2021. Management Team approved the agenda, subject to clarification of item 3 – Redmond review.

**8. Draft Leadership Group agenda: 25 August 2021**

Following discussion, Management Team agreed that this item would be reconsidered on 27 July 2021. Management Team noted the unavailability of Stephen Boyle and Antony Clark on 25 August 2021.

**9. Any other business**

There was no further business for discussion.

**10. Date of next meeting**

The next meeting of Management Team will take place on 27 July 2021.

# Minutes

## Management Team

Tuesday 27 July 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Stephen Boyle

### In attendance:

Stuart Dennis, Corporate Finance Manager  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager  
Paul O'Reilly, Secretary to the Accounts Commission

### 1. Minutes of meeting 20 July 2021

The draft minutes dated 20 July 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Confidential minutes of meeting on 20 July 2021

The draft confidential minutes dated 25 May 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### 3. Discussion paper – Medium term financial plan

*Stuart Dennis, Corporate Finance Manager and Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

Stuart Dennis, introduced the Discussion paper – Medium term financial plan report, copies of which were previously circulated.

Management Team noted the report was proposed to support an initial discussion with the Board in advance of their formal consideration in November 2021 and during detailed discussion considered a number of influencing factors including future expenditure, savings and efficiencies, the increased cost of audit, associated fees and the need for

ongoing investment required to support the Strategic Improvement Programme and continued development, improvement and delivery of world class public audit.

Following discussion, Management Team provided additional commentary and presentational points and Stuart agreed to incorporate these prior to sharing an updated version with the Board.

**Action(s):** **Stuart Dennis to circulate an updated report with the Board. (August 2021)**

#### **4. Future funding and fee arrangements**

Stuart Dennis, introduced the Discussion paper – Future funding and fee arrangements report, copies of which were previously circulated.

Stuart invited Management Team to consider the report to enable initial Board discussion on the subject of future funding and fee options.

During detailed discussion, Management Team welcomed early consideration to explore the nature of any proposed changes to the existing fee model to ensure we continue to have a transparent and stable fee regime in operation for the 5-year duration of the new audit appointments and in order to meet the increased expectations of public audit.

Management Team considered market information indicated costs to deliver audit are not sustainable at current levels and are likely to increase for the next audit appointment round. Management Team recognised the complexity of the current fee and funding arrangements, the additional pressure experienced as a result of Covid-19 and the resilience sought to avoid seeking in-year budget adjustments on an ongoing basis. As Audit Scotland require to be able to fully recover the cost of audit in order to break even in any one year Management Team recognised the need for resilience over the next few years.

Following discussion, Management Team welcomed the report and agreed to share any additional comments prior to a discussion to be scheduled with the Board.

*Stuart Dennis left the meeting.*

#### **5. Covid-19 update**

*Simon Ebbett, Communications Manager, joined the meeting.*

Martin Walker and Simon Ebbett provided a verbal update to Management Team on the latest information in relation to reported cases and the expected announcement next week on the further easing of restrictions in Scotland.

Management Team welcomed the update and noted media reporting on spikes and falls in infection rates across the UK and Scotland.

*Martin Walker and Simon Ebbett left the meeting.*

## **6. Draft Management Team agenda: 3 August 2021**

Management Team noted the proposed agenda for the meeting on 3 August 2021.

## **7. Draft Leadership group agenda: 25 August 2021**

Management Team agreed the agenda for the meeting on 25 August 2021.

## **8. Accounts Commission draft agenda: 12 August 2021**

*Paul O'Reilly, Secretary to the Accounts Commission, joined the meeting.*

Paul O'Reilly introduced the Accounts Commission update report, copies of which had been previously circulated.

Management Team were invited to consider for information and comment the agenda of the meeting of the Accounts Commission on 12 August 2021.

During discussion, Paul confirmed that an informal discussion on external communication and engagement with members prior to a report scheduled for its meeting in September 2021.

Following discussion, Management Team welcomed the report.

## **9. Accounts Commission Autumn Strategy Seminar: 11 August 2021 - draft agenda**

Paul Reilly introduced the Accounts Commission Autumn Strategy Seminar: 11 August 2021 – draft agenda report, copies of which had been previously circulated.

Paul invited Management Team to note the key areas of focus for the strategy seminar, including the revised strategy for the Accounts Commission and how members time is utilised and best ways to address workload pressures.

During discussion, Management Team noted that an updated draft strategy for the Accounts Commission would be scheduled for Management Team consideration prior to the Commission's formal consideration at its meeting in September. Management Team noted the Accounts Commission will consider the planning guidance later in the year.

Following discussion, Management Team welcomed the report.

*Paul Reilly left the meeting.*

## **10. Any other business**

There was no further business for discussion.

## **11. Date of next meeting**

The next meeting of Management Team will take place on 3 August 2021.

# Minutes

## Management Team

Tuesday 3 August 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Elma Murray, Interim Chair of the Accounts Commission (Observing)  
Elaine Boyd, Associate Director, Audit Quality and Appointments  
Mark Taylor, Audit Director, Audit Services  
Fiona Diggle, Audit Manager, Performance Audit and Best Value  
Simon Ebbett, Communications Manager  
Patrick McFall, Communications Officer  
Fiona Mitchell-Knight, Audit Director, Audit Services

Management Team welcomed Elma Murray to the meeting which formed part of her belated induction programme following Elma's appointment as Interim Chair of the Accounts Commission.

## 1. Minutes of meeting 27 July 2021

The draft minutes dated 27 July 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Audit Quality update

*Elaine Boyd, Associate Director, Audit Quality and Appointments (AQA) and Simon Ebbett, Communications Manager, joined the meeting.*

Elaine Boyd introduced Audit Quality update report, copies of which were previously circulated.

Elaine invited Management Team to note the action taken by Audit Scotland in response to the issues raised in Quality of Public Audit in Scotland 2021 (QPAS), to note the risk of material misstatements (ROMMs) letter and root cause analysis (RCA) report will be passed to ICAS for their consideration, and to note the recommendations made by AQA in the report.

During detailed discussion, Management Team noted the areas of focus following the independent reviews by ICAS and cold reviews, considered the recommendations set out in the report around developing procedures for root cause analysis and proposed approach to risk of material misstatements.

Fiona Kordiak provided a verbal update following the meeting of the Audit Quality Committee which had considered updates from the Audit Quality and Appointments team and the Audit Services Group on quality developments, an update from the new quality assurance team, considered a new draft procedure on responding to quality review results, an update on PABV quality actions, an update on developments in relation to L&D and training and considered the proposed Academy concept. Management Team welcomed the developments proposed, noted feedback from colleagues and recognised the need for continued support and training.

Antony Clark provided an update on PABV developments, including consideration of building in engagement quality reviews for PA and BV work and extending quality arrangements and the development of guidance for the production of briefing papers, blogs etc.

Management Team welcomed the updates, recognised the robust independent quality regime and the overall progress of delivering audit quality, reflected on the positive outcomes reported and the clear and comprehensive response to the recommendations. Management Team welcomed the investment to increase capacity in this area and also reflected on the impact and implications for both auditors and audited bodies in what has been an extremely challenging period.

Following discussion, Management Team welcomed the report and the actions taken by Audit Scotland in response to the issues raised in QPAS 2021, noted that the ROMMs letter and RCA report will be passed to ICAS for their consideration and noted the recommendations made by AQA in the report. Management Team agreed a number of amendments be made to provide further context prior to its submission to the Accounts Commission and Audit Committee.

*Elaine Boyd and Simon Ebbett left the meeting.*

### **3. Call for evidence – Finance and Public Administration Committee**

*Mark Taylor, Audit Director, Audit Services, and Fiona Diggle, Audit Manager, Performance Audit and Best Value, joined the meeting.*

Mark Taylor introduced the Call for evidence – Finance and Public Administration Committee report, copies of which had been previously circulated.

Mark invited Management Team to provide comment on the proposed approach and response to the call for views.

During discussion, Management Team considered the overview and high level messages being proposed in the response to the Call for evidence, which will be considered at an evidence session in September and noted the composition of the Committee and recognised their work in scrutinising public finances.

Following discussion, Management Team welcomed the comprehensive report and agreed a number of suggested presentational and content changes, with a copy of the final draft being circulated prior to submission.

*Mark Taylor and Fiona Diggle left the meeting.*

#### **4. Communications Digest**

*Patrick McFall, Communications Officer, and Fiona Mitchell-Knight, Audit Director, Audit Services, joined the meeting.*

Patrick McFall introduced the Communications Digest report, copies of which had been previously circulated.

Patrick invited Management Team to consider the key activity highlighted and updates since the report was circulated and Management Team noted reports of the increasing pressure in the Scottish Government, the forthcoming statement from the First Minister on easing of restrictions and the indication of a further independent referendum. Management Team also reflected on level of communication activity.

Following discussion, Management Team welcomed the report and discussion.

#### **5. Hotlist of audit issues and statutory report log**

Fiona Mitchell-Knight introduced the Hotlist of audit issues and statutory report log report, copies of which were previously circulated.

Fiona invited Management Team to agree any action required in response to the issues identified and the material presented.

During discussion, Management Team welcomed the report and recognised the increased level of audit activity in response to emerging issues and the impact on reporting and planning timelines.

Following discussion, Management Team reiterated their support for a phased approach to audit deadlines and welcomed the report and discussion.

*Simon Ebbett and Fiona Mitchell-Knight left the meeting.*

#### **6. Covid-19 update**

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team noted the First Minister's announcement scheduled later in the day on the easing of restrictions which would inform the discussion at the meeting of IMT on Thursday 5 August, following which an update would be shared with colleagues.

Management Team welcomed the updates provided in the document.

#### **7. Draft Management Team agenda: 10 August 2021**

Management Team noted the proposed agenda for the meeting on 10 August 2021.

## **8. Any other business**

Elma Murray thanked Management Team for the opportunity to observe today's meeting, welcomed the discussions and advised she was keen to consider future opportunities for more strategic engagement between Management Team and the Accounts Commission.

There was no further business for discussion.

## **9. Date of next meeting**

The next meeting of Management Team will take place on 10 August 2021.

# Minutes

## Management Team

Tuesday 10 August 2021, 10.00am  
TEAMS Meeting

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### Present:

Antony Clark (Chair)  
Stephen Boyle  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

Mark Roberts, Audit Director, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
Gayle Fitzpatrick, Corporate Governance Manager  
Paul Reilly, Secretary to the Accounts Commission

## 1. Minutes of meeting on 3 August 2021

The draft minutes dated 3 August 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Parliamentary engagement strategy refresh

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

Mark Roberts introduced the Parliamentary engagement strategy refresh report, copies of which had been previously circulated.

Mark invited Management Team to consider the refreshed strategy which had been updated following an earlier discussion with Management Team in June.

During detailed discussion, Management Team noted the ongoing and proposed engagement with Parliamentary committees, convenors and clerks including forthcoming business planning days and evidence sessions. Management Team noted the approach to achieve the desired impact we are looking to deliver through our work and engagement and welcomed the development of respective engagement roles for Audit Directors and Senior Managers. Management Team also noted the Accounts Commission's developing engagement strategy.

Management Team welcomed the overall focus, ambition and proposed communication of the strategy. Management Team also recognised the value in evaluating the impact of engagement and agreed a number of presentational changes to provide greater clarity on

the Auditor General for Scotland's primary responsibility and discussed the process for keeping respective engagement leads informed of emerging audit risks and correspondence.

Management Team discussed attendance of colleagues at Parliamentary Committees and key meetings and the Auditor General for Scotland advised he will continue to attend Parliament in person. Management Team agreed a further discussion by the Incident Management Team would review other colleagues' attendance as part of the phased approach to opening access to workplaces.

Following discussion, Management Team welcomed the strategy and proposed six monthly updates.

*Mark Roberts left the meeting.*

### **3. Covid-19 update**

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Martin Walker highlighted media coverage around organisations returning to workplaces.

Management Team highlighted earlier discussions around attendance at Parliamentary Committees, key meetings and other workplaces which was scheduled to be considered more fully at the meeting of the Incident Management Team on Thursday 12 August.

### **4. Review of risk register**

*Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

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

Martin invited Management Team to consider the updated risk register and note the risk assessments, controls and mitigating actions in place; to identify if any further management action was required; and to agree, subject to any amendments, that it be submitted to the Audit Committee meeting on 1 September 2021.

During detailed discussion, Management Team noted the overall risk profile and considered the movements and developments informing each risk and agreed with the proposed risk levels and actions reported.

Following discussion, Management Team noted the report and approved its submission to the Audit Committee meeting on 1 September 2021, subject to minor amendment.

*Martin Walker left the meeting.*

### **5. Internal audit progress report**

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

Gayle Fitzpatrick introduced the Internal audit progress report prepared by BDO, copies of which were previously circulated.

Gayle invited Management Team to consider the report on H&S review of Covid-19 prior to submission to Audit Committee.

Management Team noted the report.

## **6. Internal audit recommendations progress report**

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

Gayle invited Management Team to note the progress on the implementation of outstanding audit recommendations, of the 10 recommendations, 7 were complete.

During discussion, Management Team requested updates to implementation dates in relation to IT procurement, learning and development and audit monitoring tool.

Following discussion, Management Team agreed the report be updated prior to submission to the Audit Committee.

## **7. Data incident/loss report**

Gayle Fitzpatrick introduced the Data incident/loss report, copies of which were previously circulated.

Gayle invited Management Team to note that one minor data incident had been reported in Q1.

During discussion, Management Team noted the single incident reported in the period and considered a data incident which had occurred in Q2. Management Team agreed this incident be referenced prior to submission of the report to the Audit Committee.

Following discussion, Management Team welcomed the report.

## **8. Data Processor Agreement**

Gayle Fitzpatrick introduced the Data Processor Agreement report, copies of which were previously circulated.

Gayle invited Management Team to formally approve the revised Data Processor Agreement (DPA).

During discussion, Management Team noted the assurance provided by BTO on the revised indemnity and agreed that reference to the revised policy would be included as part of Digital Services six monthly update being considered by the Audit Committee at its meeting on 1 September.

Following discussion, Management Team welcomed the report and approved the revised DPA.

## **9. Draft Audit Committee agenda: 1 September 2021**

Management Team noted the proposed agenda for the meeting of the Audit Committee on 1 September 2021.

*Gayle Fitzpatrick left the meeting.*

## **10. Draft Accounts Commission Committee agendas: 26 August 2021**

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

Paul Reilly introduced the proposed agendas for the meetings of the Accounts Commission Committees meetings on 26 August 2021.

Management Team noted the proposed agendas and sought clarification on whether an update on audit quality improvements was scheduled for the Committees. Paul advised he would liaise and confirm with Fiona Kordiak.

*Paul Reilly left the meeting.*

## **11. Draft Management Team agenda: 17 August 2021**

Management Team noted the proposed agenda for the meeting on 17 August 2021.

## **12. Any other business**

There was no further business for discussion.

## **13. Date of next meeting**

The next meeting of Management Team will take place on 17 August 2021.

# Minutes

## Management Team

Tuesday 17 August 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Joy Webber (Minutes)

### Apologies:

Fiona Kordiak

### In attendance:

Stuart Dennis, Corporate Finance Manager  
Gayle Fitzpatrick, Corporate Governance Manager  
David Robertson, Digital Services Manager  
Paul O'Brien, Senior Manager, Professional Support  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Beverley Oakman, Audit Manager, Performance Audit and Best Value  
Shelagh Stewart, Audit Manager, Performance Audit and Best Value  
Angela Canning, Audit Director, Performance Audit and Best Value  
Michelle Borland, Business Manager, Performance Audit and Best Value  
Michael Oliphant, Audit Director, Audit Services  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager

### 1. Minutes of meeting on 10 August 2021

The draft minutes dated 10 August 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### 2. Covid-19 update

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team noted the update.

### 3. Q1 Financial performance report

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the Q1 Financial performance report, copies of which were previously circulated.

Stuart invited Management Team to note the financial results for the three months to 30 June 2021.

During discussion, Management Team noted the small overspend reported and the assurance provided that this is being actively monitored and considered the risks highlighted including building capacity, audit fees and noted an update relating to the rent review.

Following discussion, Management Team welcomed the report.

*Stuart Dennis left the meeting.*

#### **4. Annual review of corporate governance policies**

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

Gayle Fitzpatrick introduced the Annual review of corporate governance policies, copies of which were previously circulated.

Gayle invited Management Team to review the current Standing Orders, Financial Regulations, Scheme of Delegation and Codes of Conduct for members and staff and to recommend the updates as appropriate to the Audit Committee and Board for approval for a further year.

During discussion, Management Team considered each policy in turn, sought clarification around the commitment to the recording / livestreaming of Board meetings and agreed a number of amendments to the policies.

Following discussion, Management Team recommended the updated Standing Orders, Financial Regulations and Scheme of Delegation and the current Codes of Conduct to the Audit Committee on 1 September 2021 and Board on 22 September 2021 for review and approval.

*Gayle Fitzpatrick left the meeting.*

#### **5. Digital security update**

*David Robertson, Digital Services Manager and Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

David Robertson introduced the Digital security update report, copies of which were previously circulated.

David invited Management Team to note the changes to Audit Scotland's digital security since the previous update on 23 February 2021, the level of continued challenges and risks together with ongoing engagement and communication with colleagues to raise awareness.

During detailed discussion, Management Team took assurance from the level of active monitoring of ongoing and emerging security risks, considered a recent data incident and noted the remedial actions put in place, agreed liaison between the KITGG and Audit

Quality Committee to consider and agree appropriate enhancement of existing policies in relation to the structure and access of sensitive audit data, agree data retention periods of such information and welcomed an urgent peer review of the proposed arrangements to ensure these are sufficiently robust to provide assurance to Management Team, Audit Committee and clients. It was agreed an update would come back to Management Team.

Following discussion, Management Team welcomed the comprehensive report.

**Action(s): A report to be scheduled following consideration of existing policies and a peer review. (September 2021)**

*David Robertson and Martin Walker left the meeting.*

## 6. Guidance on planning 2021/22 audits

*Paul O'Brien, Senior Manager, Professional Support, joined the meeting.*

Paul O'Brien introduced the Guidance on planning 2021/22 audits report, copies of which were previously circulated.

Paul invited Management Team to consider the proposed consultation draft of the guidance on planning 2021/22 audits.

During detailed discussion, Management Team welcomed the planning guidance and proposed engagement prior to consultation, reflected on the transition of audit deadlines and ongoing engagement with auditors and audited bodies across respective sectors in order to balance wellbeing and maintain quality while recognising the need to be mindful of the wider risks in light of the new audit appointments and pressure of additional work. Management Team noted any delay in audit deadlines would require further engagement with Scottish Government.

Management Team considered the audit planning guidance and agreed procurement fraud remained a key concern as was equalities given the ongoing interest in these areas at local and national level. Furthermore, Management Team agreed their commitment to a review of the range of audit deadlines of as part of the new audit appointment round.

Following discussion, Management Team agreed a number of presentational points on procurement fraud and equalities and noted a further report on proposals for consideration of audit deadlines prior to the next audit appointment round would be scheduled in due course.

**Action(s): A report on audit deadlines to be scheduled prior to the new audit appointments. (Date TBC)**

*Paul O'Brien left the meeting.*

## 7. Auditing collaborative leadership

*Carolyn McLeod, Audit Director, Performance Audit and Best Value, Beverley Oakman, Audit Manager, Performance Audit and Best Value, and Shelagh Stewart, Audit Manager, Performance Audit and Best Value, joined the meeting.*

Carolyn McLeod introduced the Auditing collaborative leadership report, copies of which were previously circulated.

Carolyn invited Management Team to endorse the next steps as set out in the report, in particular that the team should: carry out further work to establish a core set of traits that auditors can use to determine the presence and effectiveness of a collaborative leadership approach, and whether this should be progressed in conjunction with other scrutiny bodies; explore with colleagues the extent to which our current guidance supports consideration of collaborative leadership and how this might be augmented to reflect the core traits; and develop an action plan to respond to findings from the activity outlined above.

During discussion, Management Team recognised the work by the team in this developing this conceptual approach and welcomed the opportunity to explore the proposal to take forward this area of work. Management Team reflected leadership informs judgements as part of our audit work and recognised the challenges to support further development at this time in light of existing and increasing critical audit work, noted existing guidance was available and agreed to pause and retain for future consideration.

Following discussion, Management Team welcomed the report and discussion.

*Carolyn McLeod, Beverley Oakman and Shelagh Stewart left the meeting.*

## **8. Confidential item**

This item is subject to a separate confidential minute.

## **9. Draft Management Team agenda: 31 August 2021**

Management Team noted the proposed agenda for the meeting on 31 August 2021.

## **10. Draft Board agenda: 22 September 2021**

Management Team noted the proposed agenda for the meeting of the Audit Scotland Board on 22 September 2021.

## **11. Any other business**

There was no further business for discussion.

## **12. Date of next meeting**

The next meeting of Management Team will take place on 31 August 2021.

# Minutes

## Management Team

Tuesday 31 August 2021, 11.30am  
TEAMS Meeting

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### Present:

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

### Apologies:

Antony Clark

### In attendance:

Martin Walker, Associate Director, Corporate Performance and Risk  
Gayle Fitzpatrick, Corporate Governance Manager  
Ian Metcalfe, Corporate Governance Officer

## 1. Minutes of meeting on 17 August 2021

The draft minutes dated 17 August 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### Confidential minutes of meeting on 17 August 2021

The draft confidential minutes dated 17 August 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Covid-19 update

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team noted the update.

## 3. Q1 Corporate performance report

*Martin Walker, Associate Director, Corporate Performance and Risk and Ian Metcalfe, Corporate Governance Officer, joined the meeting.*

Martin Walker introduced the Q1 Corporate performance report, copies of which had been previously circulated.

Martin invited Management Team to review the performance in quarter one, consider whether any additional management action is required and, subject to any amendment, agree the report is submitted to the Audit Scotland Board meeting on 22 September 2021.

During discussion, Management Team noted the level of outputs and engagement with our work, noted the continuing trend of low absence rates reported and welcomed the examples of impact identified.

Following discussion, Management Team welcomed the performance reported for quarter one and agreed a number of presentational amendments prior to its submission to the Audit Scotland Board meeting on 22 September 2021.

#### **4. Review of Freedom of Information and EIR policy**

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

Gayle Fitzpatrick introduced the Review of Freedom of Information and EIR policy report, copies of which were previously circulated.

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

Management Team noted the proposed amendments and following consideration, recommended that the Board approve Audit Scotland's Freedom of Information and Environmental Information Policy for a further year.

#### **5. Review of Records management policy**

Gayle Fitzpatrick introduced the Review of Records management policy report, copies of which were previously circulated.

Gayle invited Management Team to recommend to the Board the approval of Audit Scotland's Records Management Policy for a further year.

Management Team noted the proposed amendments and following consideration, recommended that the Board approve Audit Scotland's Records Management Policy for a further year.

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

#### **6. Draft Management Team agenda: 14 September 2021**

Management Team noted the proposed agenda for the meeting on 14 September 2021.

#### **7. Any other business**

There was no further business for discussion.

#### **8. Date of next meeting**

The next meeting of Management Team will take place on 14 September 2021.

# Minutes

## Management Team

Tuesday 14 September 2021, 10.00am  
TEAMS Meeting

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### Present:

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

### Apologies:

Antony Clark

### In attendance:

Martin Walker, Associate Director, Corporate Performance and Risk  
Stuart Dennis, Corporate Finance Manager  
Simon Ebbett, Communications Manager  
Michelle Borland, Business Manager, Performance Audit and Best Value  
David Robertson, Digital Services Manager

## 1. Minutes of meeting on 31 August 2021

The draft minutes dated 31 August 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Public Audit in Scotland and strategic planning

*Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

Martin Walker introduced the Public Audit in Scotland and strategic planning report, copies of which were previously circulated.

Martin invited Management Team to consider and discuss the report, confirm the desired approach and note that a more detailed development plan will be submitted following initial engagement with the key stakeholders.

During detailed discussion, Management Team welcomed the report and agreed the principles for Public Audit in Scotland remained sound and considered the proposals set out to refresh the framework. Management Team agreed that a variation of option 2 be adopted to streamline the approach, recognising the value of having the agreed principles in place prior to the procurement of the new audit appointments and to inform Audit Scotland's strategic priorities and work programme in delivering public audit in Scotland. Management Team also reflected on the range of consultation which have taken place in relation to the scope and delivery of public audit eg Code of Audit Practice.

Following discussion, Management Team welcomed the comprehensive analysis and agreed with the next steps to develop engagement with the Board and Accounts Commission.

### **3. 2022/23 Draft budget proposal**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the 2022/23 Draft budget proposal report, copies of which were previously circulated.

Stuart invited Management Team to reach agreement on the proposed expenditure budget to be presented to the Board and to note the potential budget risks.

During detailed discussion, Management Team considered the proposed budget to achieve a break even position in the financial year, welcomed the approach which sought to minimise fee increases but noted the potential risk to fee levels from the outcome of the forthcoming audit appointment procurement round.

Following discussion, Management Team agreed the proposed expenditure budget, noted the associated risks and agreed some presentational amendments to combine budget areas prior to submission to the Board.

*Stuart Dennis left the meeting.*

### **4. Strategic Improvement Programme update**

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

Martin invited Management Team to note the progress update on the SIP and next steps and, subject to any amendments, agree the report is submitted to the Board meeting on 22 September 2021.

During discussion, Management Team considered the progress reported.

Following discussion, Management Team welcomed the update and next steps and agreed the report be submitted to the Board.

### **5. Audit Committee risk workshop**

Martin Walker introduced the Audit Committee risk workshop report, copies of which were previously circulated.

Martin invited Management Team to discuss the key issues arising from the risk workshop session and note the follow-on actions noted in the report.

During detailed discussion, Management Team noted the report and proposed next steps and welcomed the overall level of consensus from Committee members on the range and approach to monitoring and managing risks in the short, medium and longer term.

Following discussion, Management Team welcomed the report and the proposal to provide further opportunities for the Audit Committee to review the overall risk landscape.

## 6. Covid-19 update

*Simon Ebbett, Communications Manager, joined the meeting.*

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team noted the update provided and noted the First Minister's announcement scheduled later in the day.

### Draft update report for the Board 22 September 2021

Martin Walker introduced the draft Covid-19 update report for the Board meeting on 22 September 2021, copies of which were previously circulated.

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

Management Team welcomed the report and following discussion agreed the report be submitted to the Board meeting on 22 September 2021.

*Stephen Boyle and Martin Walker left the meeting.*

## 7. Audit Scotland web and email domains

*David Robertson, Digital Services Manager, joined the meeting.*

Simon Ebbett introduced the Audit Scotland web and email domains report, copies of which were previously circulated.

Simon invited Management Team to review the considerations and practical issues in the report and provide direction on the preferred option.

Management Team welcomed the proposals outlined in the report and following discussion agreed their support to change Audit Scotland's web and email domains with appropriate internal and external engagement and communication.

*Simon Ebbett left the meeting.*

## 8. Information Security Management Policy review

David Robertson introduced the Information Security Management Policy review report, copies of which were previously circulated.

David invited Management Team to consider the updates made to the policy and approve the policy prior to submission to the Audit Scotland Board.

Management Team welcomed the review which proposed a number of minor amendments and following discussion approved submission of the updated policy for consideration by the Board at its meeting on 22 September 2021.

*David Robertson left the meeting.*

## **9. Standing orders and corporate governance**

*Martin Walker, Associate Director, Corporate Performance and Risk, re-joined the meeting.*

Martin Walker introduced the Standing orders and corporate governance report, copies of which were previously circulated.

Martin invited Management Team to consider the analysis undertaken and the conclusion set out in the report and to agree the review be noted in the covering report to the Board.

Management Team noted the analysis undertaken and agreed with the conclusion that no further amendments were required to the Standing Orders.

Following discussion, Management Team welcomed the report and agreed the review be referenced in the covering report to the Board.

*Martin Walker left the meeting.*

## **10. Proposed Board and Committee meeting schedule 2022**

Joy Webber introduced the Proposed Board and Committee meeting schedule 2022 report, copies of which were previously circulated.

Joy invited Management Team to note the proposed meeting dates for the Board and its Committees throughout 2022, prior to consideration and approval by the Board at its meeting on 22 September 2021.

During discussion, Management Team noted two of the dates proposed were subject to availability of members being confirmed.

Following discussion, Management Team noted the proposed dates.

## **11. Draft Management Team agenda: 21 September 2021**

Management Team noted the proposed agenda for the meeting on 21 September 2021.

## **12. Draft Leadership Group agenda: 6 October 2021**

Management Team considered the proposed agenda for the meeting on 6 October 2021 and agreed further consideration at its meeting on 21 September 2021.

## **13. Any other business**

There was no further business for discussion.

## **14. Date of next meeting**

The next meeting of Management Team will take place on 21 September 2021.

# Minutes

## Management Team

Tuesday 21 September 2021, 10.00am  
TEAMS Meeting

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### Present:

Stephen Boyle (Chair)  
Diane McGiffen  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

No apologies

### In attendance:

David Robertson, Digital Services Manager  
Mark Roberts, Audit Director, Performance Audit and Best Value  
Angela Canning, Audit Director, Performance Audit and Best Value  
Michael Oliphant, Audit Director, Audit Services  
Martin Walker, Associate Director, Corporate Performance and Risk  
Michelle Borland, Business Manager, Performance Audit and Best Value  
Simon Ebbett, Communications Manager  
Stuart Dennis, Corporate Finance Manager  
Gordon Robertson, L&D Assistant Manager, Human Resources  
Susan Burgess, Assistant HR Manager, Human Resources  
Richard Robinson, Senior Manager, Performance Audit and Best Value  
Gayle Fitzpatrick, Corporate Governance Manager

### 1. Minutes of meeting on 14 September 2021

The draft minutes dated 14 September 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### 2. Confidential item

This item is subject to a separate confidential minute.

### 3. Confidential item

This item is subject to a separate confidential minute.

### 4. People strategy 2021-23: Audit Scotland academy

*Gordon Robertson, L&D Assistant Manager, Human Resources and Susan Burgess, Assistant HR Manager, Human Resources joined the meeting.*

Gordon Robertson introduced the People strategy 2021-23: Audit Scotland academy report, copies of which were previously circulated.

Management Team were invited to support Gordon's proposal to progress to the next stage for the Audit Scotland Academy:

- To continue to fully scope the project plan.
- To investigate the resource requirements to fill gaps identified in the blueprint.
- To identify the means by which we will measure impact and future reporting arrangements.
- To confirm the timeline for the launch of the Academy.

During detailed discussion, Management Team considered the progress reported, ambition and development of L&D on a page, noted the development of a communications plan, the range of available content of prescribed and discretionary learning and identified gaps for ongoing professional and personal development, and considered a demo of a prototype learning app. Management Team also considered the timeline for ongoing development, implementation and launch and the need for appropriate governance arrangements.

Following discussion, Management Team welcomed the progress made and agreed with the proposal to continue to develop the project plan, build and test of the app while recognising the timeline for launch was challenging in light of other priorities associated with the Strategic improvement programme.

Management Team agreed a further discussion would be scheduled to provide an update on progress and revised timeline.

*Gordon Robertson and Susan Burgess left the meeting.*

## **5. Equalities, Human Rights and Civil Justice Committee: pre-budget scrutiny 2022-23: Response to call for views**

*Carolyn McLeod, Audit Director, and Richard Robinson, Senior Manager, Performance Audit and Best Value joined the meeting.*

Richard Robinson introduced the Equalities, Human Rights and Civil Justice Committee: pre-budget scrutiny 2022-23: Response to call for views report, copies of which were previously circulated.

Management Team were invited to consider the draft response to the calls for views.

During discussion, Management Team considered the proposed response and noted the Accounts Commission had been invited to consider and comment on the response.

Following discussion, Management Team welcomed the proposed response and subject to minor amendment agreed the response be submitted.

*Carolyn McLeod and Richard Robinson left the meeting.*

## **6. Covid-19**

Management Team considered the updates regarding Covid-19 provided in the external summary document.

## **7. 2021/22 Financial forecast**

Management Team agreed this item be rescheduled to the meeting on 28 September 2021.

## **8. Internal audit report: Financial controls – Covid-19**

Management Team agreed this item be rescheduled to the meeting on 28 September 2021.

## **9. Draft Accounts Commission agenda: 7 October 2021**

Management Team noted the proposed agenda for the meeting of Accounts Commission on 7 October 2021 and agreed further consideration of opportunities to engage on the Commission's wider strategic priorities with the Interim Chair and Secretary for the Commission.

## **10. Leadership Group agenda: 6 October 2021**

Management Team agreed this item be rescheduled to the meeting on 28 September 2021.

## **11. Draft Management Team agenda: 28 September 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 28 September 2021.

## **12. Any other business**

There was no further business for discussion.

## **13. Date of next meeting**

The next meeting of Management Team will take place on 28 September 2021.

# Minutes

## Management Team

Tuesday 28 September 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Antony Clark  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Stephen Boyle

### In attendance:

Catherine Young, Senior Manager, Performance Audit and Best Value  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Rebecca Smallwood, Audit Manager, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager  
Stuart Dennis, Corporate Finance Manager  
Steve Murray, Corporate Accountant  
Cat Flint, Senior Finance Officer  
Clare Forrester, Senior Finance Officer  
Fiona McFarlane, Audit and Business Assistant  
Gayle Fitzpatrick, Corporate Governance Manager  
Lucy Carter, Policy Manager, Accounts Commission  
Paul Reilly, Secretary to the Accounts Commission

## 1. Minutes of meeting on 21 September 2021

The draft minutes dated 21 September 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### Confidential minutes of meeting on 21 September 2021

The draft confidential minutes dated 21 September 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Comments on Covid-19 public inquiry

*Catherine Young, Senior Manager, Performance Audit and Best Value, joined the meeting.*

Catherine Young introduced the Comments on Covid-19 public inquiry report, copies of which were previously circulated.

Catherine invited Management Team to consider and comment on the proposed response and advised of feedback received from the Interim Chair of the Accounts Commission who was content subject to expansion in a couple of areas.

During discussion, Management Team welcomed the draft response and agreed a number of amendments to focus on what we know and have reported on through our audit work, highlighting pre-existing issues around capacity planning and delivery of services was amplified by the pandemic, and the need for the inquiry to consider the use of public money, procurement, good financial management and governance and the longer term fiscal issues.

Following discussion, Management Team welcomed the proposed response and agreed the response be submitted, subject to the amendments agreed during discussion.

*Catherine Young left the meeting.*

### **3. Current guidance for auditors on equality**

*Carolyn McLeod, Audit Director, Performance Audit and Best Value, and Rebecca Smallwood, Audit Manager, Performance Audit and Best Value, joined the meeting.*

Carolyn McLeod introduced the Current guidance for auditors on equality report, copies of which were previously circulated.

Carolyn invited Management Team to note and discuss the proposals set out in the report to support the review and development of the AMF to respond to inequalities and human rights risks and issues emerging through our audit work and consider the timing and resource to support this work.

During detailed discussion, Management Team recognised the importance of this work and acknowledged that inequalities have been amplified during the pandemic. Management Team welcomed that the proposed development was one of refinement in order to incorporate reporting of equalities as part of the scope in all our audit work. Management Team reflected that while coverage may not be reported in every output consideration of equality forms part of the Annual Audit Planning Guidance and agreed further communication and engagement would be welcomed.

Following discussion, Management Team welcomed the discussion, recognised the importance of this work and agreed that the request for and timing of support, whether this be internal resource or external input, required to be considered further. Management Team noted a wider discussion on priorities and resource for the coming year was scheduled at Leadership Group on 6 October 2021.

*Rebecca Smallwood left the meeting.*

### **4. Consultation on Equality and Human Rights Commission's Draft Strategic Plan 2022-25**

Carolyn McLeod introduced the Consultation on Equality and Human Rights Commission's Draft Strategic Plan 2022-25 report, copies of which were previously circulated.

Carolyn invited Management Team to consider and comment on the draft response, note feedback received from the Accounts Commission and to approve the response for submission.

During discussion, Management Team noted the distinct roles of EHRC and SHRC, our ongoing engagement and work.

Following discussion, Management Team agreed the response be submitted subject to the amendments agreed during discussion.

*Carolyn McLeod left the meeting.*

## **5. Covid-19**

*Martin Walker, Associate Director, Corporate Performance and Risk, and Simon Ebbett, Communications Manager, joined the meeting.*

Management Team considered the updates regarding Covid-19 provided in the external summary document.

## **6. Scottish Commission for Public Audit response**

*Simon Ebbett, Corporate Finance Manager, joined the meeting.*

Simon Ebbett introduced the Scottish Commission for Public Audit (SCPA) response report, copies of which had been previously circulated.

Stuart invited Management Team to comment on the draft response.

During discussion, Management Team welcomed the draft response, reflected on the wider disruption coming through from audit work during 2021 for audited bodies and Audit Scotland.

Following discussion, Management Team agreed a number of amendments to the response prior to its submission to the SCPA. Management Team also noted the proposed Business Planning session with the SCPA was anticipated to be confirmed in early course.

*Martin Walker and Simon Ebbett left the meeting.*

## **7. 2021/22 Financial forecast**

Stuart Dennis introduced the 2021/22 Financial forecast report, copies of which were previously circulated.

Stuart invited Management Team to note and discuss the financial forecast for the 12 months to March 2022.

During detailed discussion, Management Team noted the projected underspend and welcomed the proposal to bring regular updates throughout the remainder of this financial year.

Management Team reflected on the known short term pressures across the business groups and welcomed the discussion with Leadership Group at its meeting on 6 October 2021 to explore options to seek to address these pressures.

Following discussion, Management Team welcomed the report and discussion.

## 8. Internal audit report: Financial controls – Covid-19

*Gayle Fitzpatrick, Corporate Governance Manager, Steve Murray, Corporate Accountant, Cat Flint, Senior Finance Officer, Clare Forrester, Senior Finance Officer and Fiona McFarlane, Audit and Business Assistant, joined the meeting.*

Stuart Dennis introduced the Internal audit report: Financial controls – Covid-19 report, copies of which were previously circulated.

Stuart invited Management Team to note the substantial assurance received for Audit Scotland's Financial Controls – Covid-19.

Management Team welcomed the substantial assurance received and areas of best practice reported. Management Team congratulated the team for the exemplary work to review and implement changes required to provide robust core financial controls throughout the pandemic.

Following discussion, Management Team, welcomed the substantial assurance received.

*Gayle Fitzpatrick, Stuart Dennis, Steve Murray, Cat Flint, Clare Forrester and Fiona McFarlane left the meeting.*

## 9. Livestreaming hybrid Commission meetings from November 2021

*Lucy Carter, Policy Manager, Accounts Commission, and Paul Reilly, Secretary to the Accounts Commission, joined the meeting.*

Lucy Carter introduced the Livestreaming hybrid Commission meetings from November 2021 report, copies of which were previously circulated.

Lucy invited Management Team to note the report, consider and agree the proposals outlined in paragraph 8, advise on options for funding and consider how the Commission's preferences fit with other Audit Scotland corporate requirements.

During detailed discussion, Management Team considered the proposal to support public hybrid meetings of the Accounts Commission and sought clarification in relation to the value for money in the short and medium term. Management Team also noted the proposed timing to commence from November 2021.

Management Team welcomed the proposed direction of travel and agreed in principle to a trial of this arrangement subject to a further report to address the concerns regarding value for money, timing of the trial and how we measure the impact and success of this investment.

Following discussion, Management Team welcomed the report which will help to inform the organisation's overall approach to hybrid working and meetings.

**Action(s):            A further report to be scheduled on value for money and the longer term investment required. (November 2021)**

*Lucy Carter and Paul Reilly left the meeting.*

## **10. Leadership Group agenda: 6 October 2021**

Management Team discussed the proposed agenda for the meeting of Leadership Group on 6 October 2021.

## **11. Draft Management Team agenda: 5 October 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 5 October 2021.

## **12. Any other business**

Antony Clark advised members that he had had an initial discussion with Elma Murray to consider future strategic engagement between Management Team and the Accounts Commission with further consideration of timing and frequency.

There was no further business.

## **13. Date of next meeting**

The next meeting of Management Team will take place on 5 October 2021.

# Minutes

## Management Team

Tuesday 5 October 2021, 10.00am  
TEAMS Meeting

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### Present:

Antony Clark (Chair)  
Stephen Boyle  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

Martin Walker, Associate Director, Corporate Performance and Risk  
Sharon Kewley, Business Support Manager, Business Support Services  
Susan Burgess, Assistant HR Manager, Human Resources  
David Loudon, HR Senior Advisor, Human Resources  
Elaine Boyd, Associate Director, Audit Quality and Appointments  
Owen Smith, Senior Manager, Audit Quality and Appointments  
John Gilchrist, Manager, Audit Quality and Appointments  
Simon Ebbett, Communications Manager  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Gayle Fitzpatrick, Corporate Governance Manager

### 1. Minutes of meeting on 5 October 2021

The draft minutes dated 5 October 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Confidential item

This item is subject to a separate confidential minute.

### 3. Annual diversity and equality report 2020-21

*Susan Burgess, Assistant HR Manager, Human Resources and David Loudon, HR Senior Advisor, Human Resources joined the meeting.*

Susan Burgess introduced the Annual diversity and equality report 2020-21, copies of which were previously circulated.

Management Team was invited to note and comment upon the report prior to external publication and subsequent discussion with the People Focus Group, Partnership Forum and Remuneration and Human Resources Committee in November 2021.

During detailed discussion, Management Team noted the results and considered the balance of comparisons reported. Management Team agreed that further focus and emphasis is required on recruiting under-represented groups and recognising the impact of the pandemic on these groups agreed that the broader range of entry points into Audit Scotland should be highlighted.

Following discussion, Management Team welcomed the report and agreed amendments to include additional comparative data and contextual information.

*Susan Burgess and David Loudon left the meeting.*

#### **4. Audit Quality Interim report**

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

Elaine Boyd introduced the Audit Quality Interim report, copies of which were previously circulated.

Management Team were invited to note:

- Instances of non-compliance with the 2021 Guidance on planning the audit in respect of including best value responsibilities in non-council local government body AAPs.
- An update on the two potential risks of misstatement identified by ICAS.
- The progress made by Audit Scotland in response to the issues raised in QPAS 2021.
- The comments and focus of the FRC relating to audit quality, and specifically on audit documentation, for the profession as a whole.

During detailed discussion, Management Team welcomed the report and noted the progress reported.

Management Team welcomed and acknowledged the achievement of auditors to conclude NHS audits by 30 September 2021.

Turning to the improvement action plan, Management Team considered the good progress made, noted that the hot reviews were underway and that these would be reported on by the end of the year.

#### **5. Audit Quality framework update 2021**

Elaine Boyd introduced the Audit Quality framework update 2021 report, copies of which were previously circulated.

Management Team were invited to:

- Consider and comment on the proposed changes to quality reporting for the 2021 AQF.

- Consider the proposal for AQA to review and revise audit quality KPIs.
- Note the planned review of AQF for 2022 to align with new audit appointments and 2021 Code of Audit Practice.

During detailed discussion, Management Team acknowledged the assurance provided to the Auditor General for Scotland and the Accounts Commission and welcomed the proposal for a more fundamental review of the Audit Quality Framework in light of the forthcoming procurement of the new audit appointments. Management Team noted the new scoring model from the Financial Reporting Council and if this is adopted agreed appropriate communication with colleagues would be required.

Turning to the customer feedback survey, Management Team welcomed the proposal for this and noted the views of the Auditor General for Scotland and the Accounts Commission would be sought.

Management Team noted legal advice had been received in relation to the draft Complaints procedure, prepared by AQA, and agreed a further report should be scheduled.

Following discussion, Management Team welcomed the report and agreed to the review of the Audit Quality Framework.

**Action: AQA to return to a future meeting with an update on the revised draft Complaints procedure (November)**

**AQA to consider audit quality KPIs and return to Management Team at an appropriate juncture**

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

## 6. Covid-19

Management Team considered the updates regarding Covid-19 provided in the external summary document.

## 7. Communications Digest

*Simon Ebbett, Communications Manager and Carolyn McLeod, Audit Director, Performance Audit and Best Value, joined the meeting.*

Simon Ebbett introduced the Communications digest, copies of which had been previously circulated.

Simon Ebbett invited Management Team to consider the key issues reported.

During discussion, Management Team considered the key issues highlighted, media interest and activity and emerging issues.

Following discussion, Management Team welcomed the report.

## 8. Hotlist of audit issues and Statutory report log

Carolyn McLeod introduced the Hotlist of audit issues and Statutory report log, copies of which were previously circulated.

Management Team were invited to consider the report and agree any actions required in response to the issues identified and reported.

Following consideration of the key emerging risks reported, Management Team noted the report and recommended that the author of the Hotlist reviews the current issues report to ensure that nothing of significance is omitted from the Hotlist.

*Simon Ebbett and Carolyn McLeod left the meeting.*

## **9. Q2 Data incidents/loss report**

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

Gayle Fitzpatrick introduced the Q2 Data incidents/loss report copies of which had been previously circulated.

The Management Team was invited to note the report and to note that it will be considered by the Audit Committee at its meeting on 10 November 2021.

Following discussion, Management Team noted the incidents reported.

## **10. External auditor's independence, objectivity and value for money**

Gayle Fitzpatrick introduced the External auditor's independence, objectivity and value for money report copies of which had been previously circulated.

Management Team were invited to note the report and subject to any amendments, approve its submission to the Audit Committee meeting on Wednesday 10 November 2021.

During discussion, Management Team noted the report and the level of procurement activity underway by the Scottish Commission for Public Audit for the appointment of Audit Scotland's external auditor, the preparations for the procurement of Audit Scotland's internal auditor and the New Audit Appointments.

Following discussion, Management Team noted the report and approved its submission for consideration by the Audit Committee.

## **11. Draft Audit Committee agenda: 3 November 2021**

Management Team noted the proposed agenda for the meeting of Audit Committee on 3 November 2021.

*Gayle Fitzpatrick left the meeting.*

## **12. Draft Management Team agenda: 12 October 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 12 October 2021.

**13. Any other business**

There was no further business.

**14. Date of next meeting**

The next meeting of Management Team will take place on 12 October 2021.

# Minutes

## Management Team

Tuesday 12 October 2021, 10.00am  
TEAMS Meeting

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### Present:

Fiona Kordiak (Chair)  
Stephen Boyle  
Antony Clark  
Lorna McEwan (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

Susan Burgess, Assistant HR Manager  
Mark Taylor, Audit Director, Audit Services  
Richard Robinson, Senior Manager, Performance Audit and Best Value  
John Gilchrist, Manager, Audit Quality and Appointments  
Paul O'Brien, Senior Manager, Performance Audit and Best Value  
Martin Walker, Associate Director, Corporate Performance and Risk

## 1. Minutes of meeting on 5 October 2021

The draft minutes dated 5 October 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

### Confidential minutes of meeting on 5 October 2021

The draft confidential minutes dated 5 October 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Review of human resource policies (staff handbook)

*Susan Burgess, Assistant HR Manager, joined the meeting.*

Susan Burgess introduced the Review of human resource policies (staff handbook) report, copies of which were previously circulated.

Management Team was invited to approve the minor changes to the policies reserved to the HR & OD Manager and to Management Team, to consider the proposed changes to the policies reserved to Remco and the Board, to consider the proposal to hold a wider review of the three policies in paragraph 11 in June 2022, and to consider the changes suggested to the Security Clearance policy noted in paragraph 14 and approve the new policy for the handbook attached as Appendix E.

During detailed discussion, Management Team acknowledged the vast amount of work undertaken by the HR team in revising the policies and suggested minor refinement to the wording of a few policies.

Management Team agreed that a final review by Diane McGiffen of the policies under Appendix A and B (HR & OD Manager or MT approval) would be valuable prior to finalising and uploading to the staff handbook.

Management Team agreed that more time was required to review the Bullying and Harassment Policy and also agreed that the Diversity and Equality policy would be reconsidered alongside the BITC session at the Management Team meeting scheduled for 26 October 2021. Management Team also was agreed that Susan would liaise separately with Fiona Kordiak on the Security Clearance policy and that further consideration was required on the Secondment Policy. Management Team agreed to defer approval of the Relocation policy until appropriate revisions had been undertaken.

Management Team sought clarification on the Life Assurance policy and Religious Belief Observance policy and Susan agreed to respond by email.

Management Team noted that a fundamental review of the process and streamlining of all policies would take place in 2022.

Management Team welcomed the discussion.

**Action: Diane McGiffen to review and comment on policies under Appendix A and B.**

**Bullying and Harassment policy to be revised and considered at a future meeting of Management Team. (November 2021)**

**Secondment policy and Relocation policy would be revised and considered at a future meeting of Management Team. (November 2021)**

**Diversity and Equality policy to be considered alongside BITC session on 26 October 2021. (26 October 2021)**

**Security Clearance policy revision to be taken forward by Fiona Kordiak and Susan Burgess. (November 2021)**

**Susan Burgess to respond to questions from Management Team, by email - *actioned***

*Susan Burgess left the meeting.*

### **3. Tax policy and the budget update**

*Mark Taylor, Audit Director, Audit Services, and Richard Robinson, Senior Manager, Performance Audit and Best Value, joined the meeting.*

Mark Taylor introduced the Tax policy and the budget update report, copies of which were previously circulated.

Management Team was invited to approve the draft consultation response on the Scottish Government's approach to tax policy from the Auditor General for Scotland, the Accounts Commission and Audit Scotland.

During discussion, Management Team suggested minor refinement and streamlining of the submission. Management Team noted that a further version incorporating any final

comments from the Accounts Commission would be circulated prior to the submission date of 26 October 2021.

Following discussion, Management Team approved the submission, subject to minor amendment.

*Mark Taylor and Richard Robinson left the meeting.*

#### **4. Audit appointment to Environment Standards Scotland 2021/22**

*John Gilchrist, Manager, Audit Quality and Appointments, joined the meeting.*

John Gilchrist introduced the Audit appointment to Environment Standards Scotland 2021/22 report, copies of which were previously circulated.

Management Team was invited to consider and comment on AQA's proposals for appointment to Environment Standards Scotland and the office of the Scottish Biometrics Commissioner by the Auditor General for Scotland and to comment on AQA's recommendation that ASG staff should be appointed to any new bodies in 2021/22 to ensure that continuity can be provided to new bodies.

During discussion, Management Team reflected on *accounts direction* and it was agreed that a letter would be sent by the Auditor General to the Scottish Government, in this respect.

Following discussion, Management Team approved the recommended proposals for appointment to Environment Standards Scotland and the office of the Scottish Biometrics Commissioner by the Auditor General for Scotland.

**Action: Auditor General to write to the Scottish Government in respect of accounts direction. (October/November 2021)**

*John Gilchrist left the meeting.*

#### **5. Annual Audit Planning Conference agenda: 15 November 2021**

*Paul O'Brien, Senior Manager, Performance Audit and Best Value, joined the meeting.*

Paul O'Brien introduced the draft Annual Audit Planning Conference agenda for 15 November 2021, copies of which were previously circulated.

Management Team was invited to comment on the proposed sessions and suggested timings.

During discussion, Management Team suggested spending less time focusing on the planning guidance, with a broader discussion on planning for recovery and renewal.

Management Team would welcome sight of the revised agenda by email, in due course.

Following discussion, Management Team noted the draft agenda, subject to the amendments already discussed.

**Action: Paul O'Brien / Gordon Smail to email revised AAPC agenda to Management Team for final approval (October) - *actioned***

*Paul O'Brien left the meeting.*

## 6. Covid-19/ business continuity updates

*Martin Walker, Associate Director, Corporate Performance and Risk Appointments, joined the meeting.*

Management Team considered the updates regarding Covid-19 provided in the external summary document.

### Covid outbreak management plan

Martin Walker introduced the Covid outbreak management plan report, copies of which were previously circulated.

Management Team was invited to consider the draft procedure and guidance on how to deal with a suspected or confirmed Covid-19 outbreak.

During discussion, Management Team suggested minor amendments to wording.

Following discussion, Management Team approved the plan, subject to the amendments discussed at the meeting.

### Covid secure office capacity

Martin Walker introduced the Covid secure office capacity report, copies of which were previously circulated.

Management Team was invited to confirm the move to Phase 3 as planned with effect from 1 November 2021, consider the capacity assessments and arrangements outlined in the report, consider whether one metre social distancing should be adopted for Phase 3 and decide on a review point for the above.

During discussion, Management Team reflected on the capacity of offices operating under the one metre rule versus the two metre rule.

Following discussion, Management Team agreed that Audit Scotland would move to Phase 3 with effect from 1 November 2021 and that the two metre social distancing rule would remain in place. This would be reviewed again in January 2022.

### Management Team office attendance

Management Team discussed and agreed their ongoing approach to working from offices.

During discussion, Management Team confirmed that working from home would continue to be the preferred choice, but with occasional days in the office, should a particular need arise. Over the longer term, it was agreed that the weekly meeting of Management Team would occasionally take place in the office.

## COP26

Martin Walker introduced the COP26 report, copies of which were previously circulated.

Management Team was invited to consider the report and planned actions and agree the position in relation to NMP as set out in paragraphs 14 and 15.

During discussion, Management Team reflected on the inevitable disruption caused by the event due to security considerations and travel restrictions and acknowledged the possible disruption caused by demonstrations and protest activity. Management Team welcomed the proposal by the Communications Team to develop some internal communications for colleagues. These will be delivered using a combination of SharePoint news items and Yammer posts

Following discussion, Management Team agreed that NMP should remain accessible to colleagues for the duration of the event, but that attention would be drawn to the potential for disruption and discourage any attendance other than for essential activity.

*Martin Walker left the meeting.*

### **7. Draft Remuneration and Human Resources Committee agenda: 3 November 2021**

Management Team noted the proposed agenda for the meeting of the Remuneration and Human Resources Committee on 3 November 2021, subject to confirmation of several agenda items.

### **8. Draft Management Team agenda: 26 October 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 26 October 2021, subject to minor amendment.

### **9. Any other business**

There was no further business.

### **10. Date of next meeting: 26 October 2021**

The next meeting of Management Team will take place on 26 October 2021.

# Minutes

## Management Team

Tuesday 26 October 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Fiona Kordiak  
Stephen Boyle  
Antony Clark  
Joy Webber (Minutes)

### Apologies:

There were no apologies

### In attendance:

Jillian Matthew, Senior Manager, Performance Audit and Best Value  
Mark MacPherson, Interim Audit Director, Performance Audit and Best Value  
Parminder Singh, International Liaison Manager, Audit Services  
Martin Walker, Associate Director, Corporate Performance and Risk  
Stuart Dennis, Corporate Finance Manager  
Gayle Fitzpatrick, Corporate Governance Manager  
Ian Metcalfe, Corporate Governance Officer  
Paul Reilly, Secretary to the Accounts Commission  
Susan Burgess, Assistant HR Manager, Human Resources  
Gordon Robertson, L&D Assistant Manager, Human Resources  
Amy Smith, Business in the Community

## 1. Minutes of meeting on 12 October 2021

The draft minutes dated 12 October 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

Management Team also noted that further discussion has taken place in relation to the staff handbook prior to the meeting of Audit Scotland Remuneration and Human Resources Committee meeting on 10 November 2021.

## 2. Response to Scottish Government consultation on a new National Care Service for Scotland

*Jillian Matthew, Senior Manager, Performance Audit and Best Value and Mark MacPherson, Interim Audit Director, Performance Audit and Best Value, joined the meeting.*

Jillian Matthew introduced the Response to Scottish Government consultation on a new National Care Service for Scotland, copies of which were previously circulated. Management Team was invited to approve the draft consultation response.

During detailed discussion, Management Team considered the response to this significant consultation, noted the range of stakeholders, recognised the impact of the pandemic on existing resources and considered how to maximise Audit Scotland's contribution given our knowledge of known issues, now and in the longer term.

Management Team welcomed the comprehensive response and agreed a number of amendments prior to submission.

*Jillian Matthew left the meeting.*

### **3. Draft Audit Scotland International Strategy 2021-24**

*Parminder Singh, joined the meeting.*

Parminder Singh introduced the Draft Audit Scotland International Strategy 2021-24 report, copies of which had been previously circulated.

Parminder invited Management Team to consider and approve the draft International Strategy for 2021-24.

During discussion, Management Team considered the strategy, reflected on the ongoing impact of the pandemic in terms of travel, welcomed the ongoing opportunities to engage internationally to inform and learn from best practice for public audit and agreed the general assumption of virtual attendance at forthcoming engagements in line with Audit Scotland's environmental ambitions and agreed any proposed international travel required approval.

Following discussion, Management Team welcomed and approved the strategy.

*Parminder Singh and Mark MacPherson left the meeting.*

### **4. Covid-19 update**

*Martin Walker, Associate Director, Corporate Performance and Risk Appointments, joined the meeting.*

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team considered the impact for access to offices during the forthcoming COP26 and agreed a communication to colleagues advising of the closure of offices.

### **5. Q2 Financial performance report**

*Stuart Dennis, Corporate Finance Manager joined the meeting.*

Stuart Dennis introduced the Q2 Financial performance report, copies of which were previously circulated.

Management Team were invited to note the financial results for the six months to 30 September 2021.

During discussion, Management Team considered the performance reported which was on track as previously forecast.

Following discussion, Management Team noted the report.

*Stuart Dennis left the meeting.*

## **6. Review of risk register**

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

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

During detailed discussion, Management Team considered the three new risks which have been included following the Risk workshop with Audit Scotland Audit Committee members on 30 August 2021, considered the controls and actions for existing risks, including the reduction in the status of some risks and agreed the removal of one risk (A13).

Management Team agreed a number of further amendments to the risk register prior to its submission to the Audit Committee.

Following discussion Management Team welcomed the report and agreed more detailed consideration of those longstanding risks prior to the next scheduled report.

## **7. Internal audit**

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

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

### **a) Internal audit report: Freedom of information (BDO)**

Gayle Fitzpatrick introduced the Internal audit report on Freedom of information report from BDO, copies of which had been previously circulated.

Management Team were invited to note the reasonable assurance provided.

During discussion, Management Team noted the assurance provided and the areas of best practice identified, noting the progress underway on the six recommendations made all of which were scheduled to be completed by April 2022.

Following discussion, Management Team noted the report, agreed one correction in the report and welcomed the actions being taken to incorporate the recommendations made.

**b) Internal audit progress report (BDO)**

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

Management Team were invited to note the progress reported on the 2021/22 internal audit plan.

Following consideration, Management Team welcomed the report.

**c) Internal audit recommendations progress report**

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

Management Team noted the progress reported and agreed an amendment and the inclusion of a review point for recommendation one prior to submission of the report to the Audit Committee.

**d) Procurement of internal audit services from April 2022-25**

Gayle Fitzpatrick introduced the Procurement of internal audit services from April 2022-2025 report, copies of which had been previously circulated.

Management Team were invited to consider the proposal for the procurement of internal audit services.

During detailed discussion, Management Team sought assurance on the increased value of the contract, considered alternative approaches to securing internal audit services including the option of a joint exercise with other UK audit agencies and noted potential conflicts for bidders.

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

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

## **8. Diversity, Equality and Inclusion**

*Amy Smith, Business in the Community, Susan Burgess, Assistant HR Manager and Gordon Robertson, joined the meeting.*

Amy Smith invited Management Team to note the report, consider the recommendations therein and to engage in a discussion on the key themes of intersectionality and privilege, setting targets and goals for Audit Scotland and equality versus equity.

During detailed discussion, Management Team noted progress made to date and considered key areas of further work, recognised the important of diversity, equity and inclusion for colleagues in their respective experience of work, noted the use of data to support the framing of future development as an employer and the need to support

managers in their role and considered how to use influence as part of our role in public audit.

Management Team noted the progress made in various areas and confirmed their continued commitment and ambition and agreed to reflect on best practice to set targets with priorities for the short, medium and long term and agreed development of a draft high level action plan to inform a further discussion in early course.

Following detailed discussion, Management Team welcomed the discussion and agreed to share any amendments to the report by correspondence.

**Action(s):**                    **A draft high level action plan to be developed to inform a further discussion. (January 2022)**

#### **9. Draft Accounts Commission agenda: 11 November 2021**

Management Team noted the proposed agenda for the meeting of the Accounts Commission 11 November 2021.

#### **10. Draft Management Team agenda: 9 November 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 9 November 2021.

#### **11. Leadership Group agenda: 17 November 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 9 November 2021.

#### **12. Any other business**

There was no further business.

#### **13. Date of next meeting: 9 November 2021**

The next meeting of Management Team will take place on 9 November 2021.

# Minutes

## Management Team

Tuesday 9 November 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Fiona Kordiak  
Antony Clark  
Joy Webber (Minutes)

### Apologies:

Stephen Boyle

### In attendance:

Tricia Meldrum, Senior Manager, Performance Audit and Best Value  
Graeme Greenhill, Senior Manager, Performance Audit and Best Value  
Ian Metcalfe, Corporate Governance Officer  
Stuart Dennis, Corporate Finance Manager  
Martin Walker, Associate Director, Corporate Performance and Risk  
Simon Ebbett, Communications Manager  
Paul Reilly, Secretary to the Accounts Commission

## 1. Minutes of meeting on 2 November 2021

The draft minutes dated 2 November 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Response to consultation on the replacement of the Scottish Qualifications Agency and the reform of Education Scotland

*Tricia Meldrum, Senior Manager, Performance Audit and Best Value, joined the meeting.*

Tricia Meldrum introduced the Response to consultation on the replacement of the Scottish Qualifications Agency and the reform of Education Scotland report, copies of which were previously circulated.

Tricia invited Management Team to consider and approve the draft response, subject to any agreed amendments.

During discussion, Management Team recognised the work undertaken by colleagues to prepare responses to consultations and acknowledge the importance of utilising the knowledge gained through our audit work to inform these.

Following discussion, Management Team welcomed the comprehensive response and agreed a number of amendments to the draft prior to its submission.

*Tricia Meldrum left the meeting.*

### **3. Environment, Sustainability and Biodiversity Annual Report 2019/20**

*Graeme Greenhill, Senior Manager, Performance Audit and Best Value, and Ian Metcalfe, Corporate Governance Officer, joined the meeting.*

Graeme Greenhill introduced the Environment, Sustainability and Biodiversity Annual Report 2020/21, copies of which had been previously circulated.

Graeme invited Management Team to consider and approve the Environment, Sustainability and Biodiversity Annual Report and comment on future areas of focus in relation to environmental issues.

During discussion, Management Team noted the continued reduction in carbon emissions as a result of working virtually, the need to quantify these efficiencies more fully in future reporting and discussed how Audit Scotland's ambitious target can be met as part of our future hybrid operating model.

Following discussion, Management Team thanked the team for the report and approved this for submission to the Board, subject to minor amendment.

*Graeme Greenhill and Ian Metcalfe left the meeting.*

### **4. Draft 2022/23 Budget proposal**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the Draft 2022/23 Budget proposal report, copies of which had been previously circulated.

Stuart invited Management Team to consider the draft proposal for 2022/23.

During detailed discussion, Management Team noted that the Audit Scotland Board had a strategic financial planning discussion scheduled later in the day which would consider the proposed budget and with a further draft budget report to be considered by Management Team on 16 November 2021 prior to submission for approval by the Board at its meeting on 22 November 2021.

Management Team noted the evolving nature of the budget given the uncertainties around public sector pay, recognised the potential pressure on fees from the new audit appointment round and increased cost of audit more generally together with the overall recovery and planning scenarios of the audit programme following the pandemic.

Following discussion, Management Team agreed additional information be included and suggested further refinement to the draft budget proposal.

### **5. 2021/22 Budget**

#### **Spring Budget Revision**

Stuart Dennis introduced the Spring Budget Revision report, copies of which had been previously circulated.

Stuart invited Management Team to consider the report and to recommend to the Audit Scotland Board that a request be made to the Scottish Commission for Public Audit for a 2021/22 Spring Budget Revision amounting to £6 million of non cash AME in order to meet additional IAS 19 pension charges.

During discussion, Management Team noted how the negative discount factor and an increased workforce impacts on pensions charges.

Following discussion, Management Team welcomed the report.

## 2021/22 Expenditure options

Stuart Dennis introduced the 2021/22 Expenditure options report, copies of which had been previously circulated.

Stuart invited Management Team to consider the options presented in the report.

Management Team welcomed early sight of the options and agreed a further discussion be scheduled for the meeting of Management Team on 23 November 2021.

## 6. Covid-19 update

*Martin Walker, Associate Director, Corporate Performance and Risk, and Simon Ebbett, Communications Manager, joined the meeting.*

Management Team considered the updates regarding Covid-19 provided in the external summary document, noted the level of cases continuing to be reported, the varying approaches to returning to workplaces across the public sector and noted concerns regarding the onset of winter viruses.

### Board update report

Martin Walker introduced the Board update report, copies of which had been previously circulated.

Martin invited Management Team to note the actions taken to date in response to the Covid-19 pandemic and to note the ongoing actions and next steps.

Management Team welcomed the report and subject to the correction of pre-pandemic timelines in the report agreed this be submitted to the Board.

Following discussion, Management Team welcomed the report.

## 7. Strategic Improvement Programme

### SCPA quarterly update

Martin Walker introduced the SCPA quarterly update report, copies of which had been previously circulated.

Martin invited Management Team to consider the draft update to the SCPA and welcomed any comments.

During discussion, Management Team welcomed the update and approved its submission to the SCPA subject to minor amendment.

### SIP Board update

Martin Walker introduced the SIP Board update report, copies of which had been previously circulated.

Martin invited Management Team to note the progress update on the SIP and next steps and to agree, subject to any amendments, it be submitted to the Board meeting of 22 November 2021.

Management Team noted the report and agreed its submission to the Board, subject to agreed amendments.

*Stuart Dennis and Simon Ebbett left the meeting.*

## 8. Q2 Corporate performance report

Martin Walker introduced the Q2 Corporate performance report, copies of which had been previously circulated.

Martin invited Management Team to review the performance in quarter two and consider whether any additional management action is required.

During discussion, Management Team considered how we measure and assess the impact through downloads, noted the trend in examination results and contributory factors with the actions being taken forward.

Following discussion, Management Team welcomed the report prior to its submission to the Board.

*Martin Walker left the meeting.*

## 9. Draft Accounts Commission committee agendas: 25 November 2021

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

Management Team noted the proposed agenda for the meetings of the Accounts Commission committees on 25 November 2021.

*Paul Reilly left the meeting.*

## 10. Leadership Group agenda: 17 November 2021

Management Team discussed the proposed agenda for the meeting of Leadership Group on 17 November 2021.

## 11. Draft Management Team agenda: 16 November 2021

Management Team noted the proposed agenda for the meeting of Management Team on 16 November 2021.

**12. Draft Board agenda: 22 November 2021**

Management Team noted the proposed agenda for the meeting of the Audit Scotland Board on 22 November 2021.

**13. Any other business**

There was no further business.

**14. Date of next meeting: 16 November 2021**

The next meeting of Management Team will take place on 16 November 2021.

# Minutes

## Management Team

Tuesday 16 November 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Nicola Constable (Minutes)

### Apologies:

Fiona Kordiak

### In attendance:

Elaine Boyd, Associate Director, Audit Quality and Appointments  
John Gilchrist, Manager, Audit Quality and Appointments  
Stuart Dennis, Corporate Finance Manager  
Gordon Smail, Audit Director, Audit Services  
Martin Walker, Associate Director, Corporate Performance and Risk

## 1. Minutes of meeting on 9 November 2021

The draft minutes dated 9 November 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Confidential item

This item is the subject of a separate confidential minute.

## 3. Legal advice on draft complaints procedure - update

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

Owen Smith introduced the Legal advice on draft complaints procedure - update report, copies of which were previously circulated.

Owen invited Management Team to note the legal advice received on the procedure and consider the adoption of 'solutions in respect of audit quality and external auditors' as outlined in the report. Management Team noted that the Framework Agreement is clear on expected standards, KPIs and termination clauses for audit appointments for 2022/23 to 2027/28; and were invited to comment on the paper in advance of submission to the Steering Group.

During detailed discussion, Management Team acknowledged the advice around our quality complaints procedure and the quality framework arrangements for Audit Services and Audit Firms.

Following discussion, Management Team welcomed the clear legal advice, accepted the recommendations provided, approved the Steering Group paper subject to minor amendment and agreed to a further discussion on the letter of appointment once AQA have produced different scenario models around failure of quality against our standards. AQA agreed to reframe the report prior to consideration by the Board.

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

**Action: AQA to produce scenario models in relation to the letter of appointment for a further meeting.**

**AQA to engage with ASG around the letter of appointment.**

#### **4. 2022/23 SCPA Budget proposal**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the 2022/23 SCPA Budget proposal report, copies of which were previously circulated.

Stuart invited Management Team to comment on the amended Budget proposal in advance of consideration by the Board.

During discussion, Management Team noted the amendments in line with discussions at the previous meeting.

Following discussion, Management Team welcomed the report and approved its submission to the Board, subject to amendments agreed.

*Stuart Dennis left the meeting.*

#### **5. Covid-19 update**

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team agreed to wait until the scheduled announcement and any subsequent amendments to the Scottish Government guidance before considering any further changes to our office plans.

Management Team noted the AGS's preference to have colleagues attend Parliament Committee sessions should they be comfortable to do so, however this will be kept under review with any changes in guidance.

*Martin Walker and Simon Ebbett left the meeting.*

#### **6. Draft Management Team agenda: 23 November 2021**

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

**Action: Audit Firms Partner meeting on 6 December and subsequent meetings to be cancelled until the conclusion of the procurement appointments.**

**7. Any other business**

There was no further business for discussion.

**8. Date of next meeting: 23 November 2021**

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

# Minutes

## Management Team

Tuesday 23 November 2021, 10.00am  
TEAMS Meeting

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### Present:

Diane McGiffen (Chair)  
Stephen Boyle  
Antony Clark  
Fiona Kordiak  
Martin Walker  
Lorna McEwan (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Susan Burgess, Assistant Human Resources Manager  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Stuart Dennis, Corporate Finance Manager

## 1. Minutes of meeting on 16 November 2021

The draft minutes dated 16 November 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### Confidential minutes of meeting on 16 November 2021

The draft confidential minutes dated 16 November 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Review of Diversity and Equality policy (staff handbook)

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

Susan Burgess introduced the Review of Diversity and Equality policy (staff handbook) report, copies of which were previously circulated.

Susan invited Management Team to approve the minor suggested changes to the policy, to consider any additional changes to be made to the policy following receipt of the report from Business in the Community and to agree this policy be submitted to the Board.

During discussion, Management Team acknowledged that although the BITC report did not include any specific changes to be made to this policy, it recommended that we review our Bullying and Harassment policy (page 23) to include microaggressions alongside more explicit behaviour. This would be considered by Management Team in January 2022.

Management Team noted that the strategy for Diversity and Equality was still under development and this would be addressed through engagement with BITC and production

of an action plan. The action plan would be considered by Management Team in January 2022, prior to consideration by Remco.

Following discussion, Management Team approved the *minor* changes to the policy and agreed it be submitted to the Board.

**Action: Diversity and Equality policy to be reviewed following engagement with BITC and considered again by Management Team. (January 2022)**

**Bullying and Harassment policy to be considered by Management Team. (January 2022)**

### 3. Our response to the guidance around data on sex and gender

*Carolyn McLeod, Audit Director, Performance Audit and Best Value, joined the meeting.*

Susan Burgess introduced the Our response to the guidance around data on sex and gender report, copies of which were previously circulated.

Susan invited Management Team to agree the draft response, to consider the impact of collating the additional data and to agree the removal of the question on trans status from recruitment application forms until the review is concluded.

During discussion, Management Team suggested refinements to the draft letter of response and a discussion followed on neutral assumptions and permissible alternatives which may be used in such circumstances. Liaison with our Comms team was suggested, in this respect. Management Team also acknowledged that any collection of data should be relevant to our audit work.

Following discussion, Management Team agreed the draft response, subject to the amendments agreed during discussion and agreed to the removal of the question on trans status from recruitment application forms until the review is concluded.

Management Team welcomed the discussion.

*Carolyn McLeod left the meeting.*

### 4. Review of Security Vetting and Clearance policy (staff handbook)

Susan Burgess introduced the Review of Security Vetting and Clearance policy (staff handbook) report, copies of which were previously circulated.

Susan invited Management Team to approve the suggested changes to the policy, to consider any additional changes to be made and to agree the policy be uploaded to the staff handbook.

Management Team recalled that policy was originally shared with Management Team on 12 October 2021, however it was proposed that it was reviewed further by Fiona Kordiak, Director of Audit Services, before coming back for approval.

During discussion, Management Team reflected on other roles within the organisation who may require standard checks outside of those financially qualified within Audit Services Group. And a discussion followed in this respect.

Management Team noted the addition of a reference to fraud, in relation to unspent convictions, to provide clarity around the need for enhanced checks. A sentence had also been added to explain that colleagues can refuse to undergo enhanced vetting and would be redeployed to other work.

Following discussion, Management Team approved the suggested changes to the policy and agreed it be uploaded to the staff handbook.

*Susan Burgess left the meeting.*

## **5. 2021/22 Updated financial forecast**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the 2021/22 Updated financial forecast report, copies of which were previously circulated.

Stuart invited Management Team to note and discuss the financial forecast for the 12 months to March 2022.

During discussion, Management Team reflected on the benefits of moving funds from revenue to capital and were supportive of the proposal subject to a further discussion to explore the priorities and implications for the financial forecast.

**Action: Stuart Dennis to return to Management Team with priorities proposed to be funded from capital budget. (7 December 2021)**

Following discussion, Management Team noted the report.

*Stuart Dennis left the meeting.*

## **6. Covid-19 update**

This item would be considered at the next meeting of Management Team.

## **7. Draft Accounts Commission agenda: 9 December 2021**

Management Team noted the proposed agenda for the meeting of the Accounts Commission on 9 December 2021.

## **8. Draft Management Team agenda: 30 November 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 30 November 2021.

## **9. Any other business**

There was no further business for discussion.

## **10. Date of next meeting: 30 November 2021**

The next meeting of Management Team will take place on 30 November 2021.

# Minutes

## Management Team

Tuesday 30 November 2021, 10.00am  
TEAMS Meeting

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### Present:

Stephen Boyle (Chair)  
Diane McGiffen  
Antony Clark  
Fiona Kordiak  
Martin Walker  
Joy Webber (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Tricia Meldrum, Senior Manager, Performance Audit and Best Value  
Gemma Diamond, Audit Director, Performance Audit and Best Value  
Mark Roberts, Audit Director, Performance Audit and Best Value  
Gayle Fitzpatrick, Corporate Governance Manager, Corporate Services  
Owen Smith, Senior Manager, Audit Quality and Appointments  
Jonny Steen, Audit Manager, Audit Services  
Simon Ebbett, Head of Communications and Public Affairs  
Carolyn McLeod, Audit Director, Performance Audit and Best Value  
Susan Burgess, Assistant Human Resources Manager  
Michelle Borland, Business Manager, Performance Audit and Best Value

## 1. Minutes of meeting on 23 November 2021

The draft minutes dated 23 November 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Response to Health, Social Care and Sport Committee inquiry into the Health and Wellbeing of Children and Young People

*Tricia Meldrum, Senior Manager, Performance Audit and Best Value joined the meeting.*

Tricia Meldrum introduced the Response to Health, Social Care and Sport Committee inquiry into the Health and Wellbeing of Children and Young People report, copies of which were previously circulated.

Management Team were invited to consider the draft response to the consultation and to approve the draft response prior to submission.

During detailed discussion, Management Team considered the comprehensive response and agreed some refinement together with the inclusion of additional audit based information prior to

its submission. Further Management Team agreed that submissions to Parliamentary enquiries are drawn from the audit evidence to provide responses on behalf of the Auditor General for Scotland, Accounts Commission and Audit Scotland.

Following discussion, Management Team welcomed the report and thanked the team for response prepared.

*Tricia Meldrum left the meeting.*

### 3. Auditing cyber resilience

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

Gemma Diamond introduced the Auditing cyber resilience report, copies of which had been previously circulated.

Management Team were invited to consider the issues raised by the likely expansion of the audit of cyber resilience.

During detailed discussion, Management Team considered the slides, discussed the scale and increasing risk of cyber attacks across the public sector, noted the likely public and interest and Parliamentary scrutiny and considered the role of audit and Audit Scotland's approach to provide assurance on the preparedness of public bodies, whole system review in the cyber area and how this informs the future work programme. Management Team also recognised competing priorities for audit resources and the role of the planning guidance in focussing work going forward.

Following discussion, Management Team welcomed the report and discussion and agreed a short paper setting out the scale of our ambition for communicating both internally and externally.

**Action: Gemma Diamond/Mark Roberts to develop a communication on Audit Scotland's role and ambition. (January 2022)**

*Gemma Diamond and Mark Roberts left the meeting.*

### 4. Internal audit report: Covid-19 Audit quality and delivery

*Gayle Fitzpatrick, Corporate Governance Manager, Corporate Services, Owen Smith, Director, Audit Quality and Appointments and Jonny Steen, Audit Manager, Audit Services, and Simon Ebbett, Head of Communications and Public Affairs, joined the meeting.*

Gayle Fitzpatrick introduced the Internal audit report on Covid-19 Audit quality and delivery, copies of which had been previously circulated.

Management Team welcomed the substantial assurance received for the design and operational effectiveness with areas of best practice identified in the report. Management Team recognised the work of the audit teams in responding to and enhancing the delivery of audit quality as part of the quality improvement plan.

Following discussion, Management Team agreed a communication be developed and shared.

**Action: Simon Ebbett to liaise and develop an update communication. (December 2021)**

*Gayle Fitzpatrick, Owen Smith, and Jonny Steen left the meeting.*

## 5. Covid-19 update

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team considered the latest news in relation to the new variant being reported and agreed a communication from IMT be shared with colleagues to encourage working from home wherever possible, the need for continued caution and the various avenues of support available.

**Action: IMT communication to be shared with colleagues. (30 November 2021)**

*Simon Ebbett left the meeting.*

## 6. Review of the Equality Impact Assessment approach

*Carolyn McLeod, Audit Director, Performance Audit and Best Value, Susan Burgess, Assistant Human Resources Manager and Michelle Borland, Business Manager, Performance Audit and Best Value, joined the meeting.*

Carolyn McLeod introduced the Review of the Equality Impact Assessment approach (EIA) report, copies of which had been previously circulated.

Management Team was invited to consider and comment on the updated EIA template and guidance, approve the changes and approval process detailed within the revised EIA guidance and to also agree to the follow up activity outlined in paragraph 9.

During detailed discussion, Management Team noted the engagement both internally and externally to develop the template to be proportionate and strategic, with consideration of the process alongside the other frameworks we work within, how we work and inclusion of protected characteristics.

Following discussion, Management Team welcomed the refreshed approach, template and process and agreed a number of refinements prior to engagement with colleagues to raise awareness of the updated process.

*Carolyn McLeod and Susan Burgess left the meeting.*

**7. Confidential item**

**8. This item is the subject of a separate confidential minute. Holiday dates 2022**

Susan Burgess introduced the Holiday dates 2022 report, copies of which had been previously circulated.

Susan invited Management Team to consider the report and to approve the recommendation in the report.

Management Team considered the proposal to include one additional day's leave to mark the Queen's Platinum Jubilee on 3 June 2022.

Following discussion, Management Team approved the recommendation.

*Susan Burgess left the meeting.*

**9. Draft Management Team agenda: 7 December 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 7 December 2021.

**10. Any other business**

There was no further business for discussion.

**11. Date of next meeting: 7 December 2021**

The next meeting of Management Team will take place on 7 December 2021.

# Minutes

## Management Team

Tuesday 7 December 2021, 10.00am  
TEAMS Meeting

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### Present:

Stephen Boyle (Chair)  
Diane McGiffen  
Antony Clark  
Fiona Kordiak  
Martin Walker  
Joy Webber (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Mark Roberts, Audit Director, Performance Audit and Best Value  
Morag Campsie, Senior Manager, Performance Audit and Best Value  
Graeme West, Senior Data Analyst, Performance Audit and Best Value  
Ffion Heledd, Audit Manager, Performance Audit and Best Value  
Simon Ebbett, Communications Manager  
Carole Grant, Audit Director, Audit Services Group  
Paul Reilly, Secretary to the Accounts Commission  
David Robertson, Digital Services Manager  
Stuart Dennis, Corporate Finance Manager

## 1. Minutes of meeting on 30 November 2021

The draft minutes dated 30 November 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

## 2. Digital audit: financial audit analytics update

*Mark Roberts, Audit Director, Performance Audit and Best Value, Morag Campsie, Senior Manager, Performance Audit and Best Value, and Graeme West, Senior Data Analyst, Performance Audit and Best Value, joined the meeting.*

Mark Roberts introduced the Digital audit: financial audit analytics update report, presentation and videos, all of which had been previously circulated.

Mark invited Management Team to note the progress that has been made and consider the future plans.

During detailed discussion, Management Team noted this was one element of the digital agenda and noted progress to date. Management Team considered the proposal to roll out

a scaled up financial analysis tool and noted forthcoming decision points including buy or build options.

Management Team welcomed the integration with the audit approach project, engagement with the UK and Ireland audit agencies on the commercial opportunities, development to streamline and standardise documentation, the ambition to utilise the tool across all audit sectors, noted consideration of buy and/or build options of the tool, consideration of data gathering and data matching abilities, the standards required to deliver quality and productivity and noted the cautiousness in terms of rollout acknowledging the capacity issues currently being experienced across the organisation.

Management Team recognised the tool requires further development prior to rollout in terms of data handling and to provide the best user experience. Management Team also considered the governance for the project, noted the preference for independent assurance for the product and launch, welcomed the proposals to retain and build existing skills and knowledge and welcomed planned internal engagement with colleagues with an Insight session scheduled on 13 December 2021.

Following discussion, Management Team welcomed the report and discussion and recognising the pace of change needed and agreed that Mark and the team would bring key decisions, including proposed timescales to rollout the tool, to the Strategic Improvement Programme Board early in 2022.

**Action(s):        A report to the Strategic Improvement Programme Board to be scheduled. (January 2022)**

*Mark Roberts and Morag Campsie left the meeting.*

### **3. Response to the Scottish Government's consultation on the future of recorded crime and police activity statistics**

*Ffion Heledd, Audit Manager, Performance Audit and Best Value and Graeme West, Audit Director, Performance Audit and Best Value, joined the meeting.*

Ffion Heledd introduced the Response to the Scottish Government's consultation on the future of recorded crime and police activity statistics report, copies of which had been previously circulated.

Ffion invited Management Team to consider and approve the draft response, subject to any agreed amendments.

Management Team welcomed the proposed response which provided practical suggestions to encourage provision of comprehensive sets of data which are delivered consistently and areas of data which would be helpful to include eg intersectional data for analysis. Management Team welcomed wider engagement with different working groups in this area.

Management Team considered the proposed response, and approved this for submission.

*Ffion Heledd and Graeme West left the meeting.*

#### 4. Communications digest

*Simon Ebbett, Communications Manager and Carole Grant, Audit Director, Audit Services joined the meeting.*

Simon Ebbett introduced the Communications digest report, copies of which had been previously circulated.

Simon invited Management Team to consider the key activity highlighted and updates since the report was circulated.

During discussion, Management Team welcomed the update provided, considered the level of current media activity, forthcoming announcements including the Scottish Budget and noted the schedule of planned publications through to the end of March 2022. In addition, Management Team welcomed the conclusion of Audit Scotland's 2021 conference event with a session with the UK and Ireland Auditors' General and noted consideration of next year's Conference programme for 2022 is underway.

Following discussion, Management Team welcomed the report and discussion.

#### 5. Hotlist of audit issues and Statutory report log

Carole Grant introduced the Hotlist of audit issues and Statutory report log report, copies of which had been previously circulated.

Carole invited Management Team to consider the report and agree any actions required in response to the issues identified and the material presented.

During discussion, Management Team noted the comprehensive update of existing and new audit issues reported.

Following discussion, Management Team agreed they would welcome consideration of an annual review of the hotlist alongside the annual report on complaints to provide an overview of ongoing and emerging themes of audit risks.

**Action(s):        The Assistant Director's to consider an annual review of key audit risks emerging alongside the annual report on complaints. (TBC)**

*Simon Ebbett and Carole Grant left the meeting.*

#### 6. Livestreaming hybrid Commission meetings from January 2022

*Paul Reilly, Secretary to the Accounts Commission and David Robertson, Digital Services Manager, joined the meeting.*

Paul Reilly introduced the Livestreaming hybrid Commission meetings from January 2022 report, copies of which had been previously circulated.

Paul invited Management Team to consider the report, note ongoing discussions with the provider and Commission members and sought agreement on arrangements for the January Commission meeting to be reached.

During discussion, Management Team considered the proposals and in light of the Omicron variant and anticipated announcement from the First Minister, agreed the Commission consider meeting via Teams in January which can be livestreamed with an initial pilot of hybrid meetings to run early in 2022.

Management Team welcomed the options for funding and value for money for a pilot to livestream hybrid Commission meetings, agreed a further review would follow and considered the technical and practical arrangements to support overall user experience which was best supported by the providers.

Following discussion, Management Team agreed support for the pilot of livestreaming hybrid Accounts Commission meetings with the earliest being held in February 2022.

Management Team agreed to consider the draft agenda for the Accounts Commission meeting on 13 January which appears at Item 10 of today's agenda. The draft agenda was duly noted.

*Paul Reilly left the meeting.*

## **7. Capital expenditure prioritisation**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the Capital expenditure prioritisation report, copies of which had been previously circulated.

Stuart invited Management Team to approve the transfer of £350k revenue to capital to purchase the items listed.

During detailed discussion, Management Team noted the process to implement the change from revenue to capital and considered the options for investment, including improved resilience and robustness of connectivity.

Following discussion, Management Team approved the transfer of £350k revenue to capital to purchase the items listed in the report.

## **8. Property review update**

Stuart Dennis introduced the Property review update report, copies of which had been previously circulated.

Stuart invited Management Team to approve the landlord's final offer to increase the rent of West Port, to advise the Board and to note that development of a long-term estate strategy needs to be completed at least two years before expiry of the West Port lease on 31 March 2025.

During detailed discussion, Management Team reflected on existing property market conditions and negotiations with the landlords, reporting required to the Board and the Scottish Commission for Public Audit.

Following discussion, Management Team approved the landlord's final offer to increase the rent of West Port, to advise the Board and agreed they would welcome sight of a timeline for the development and options for an estate strategy given new and future ways of working.

*Stuart Dennis left the meeting.*

## **9. Covid-19 update**

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team noted reports in relation to the rapid spread of the Omicron variant.

Martin Walker advised of the process adopted following notification that one colleague who had been in the office had tested positive and noted a further update would be shared with IMT at its meeting on Thursday 9 December 2021.

Following discussion, Management Team welcomed the updates.

## **10. Draft Accounts Commission agenda: 13 January 2022**

Management Team noted the proposed agenda during discussion at Item 6 of today's agenda.

## **11. Draft Management Team agenda: 14 December 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 14 December 2021.

## **12. Any other business**

A confidential item was considered and is the subject of a separate confidential minute.

There was no further business for discussion.

## **13. Date of next meeting: 14 December 2021**

The next meeting of Management Team will take place on 14 December 2021.

# Minutes

## Management Team

Tuesday 14 December 2021, 10.00am  
TEAMS Meeting

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### Present:

Stephen Boyle (Chair)  
Diane McGiffen  
Antony Clark  
Fiona Kordiak  
Martin Walker  
Joy Webber (Minutes)

### Apologies:

There were no apologies.

### In attendance:

Mark Roberts, Audit Director, Performance Audit and Best Value  
Simon Ebbett, Communications Manager  
Nicola Constable, Executive Assistant  
Elaine Boyd, Associate Director, Audit Quality and Appointments  
Owen Smith, Senior Manager, Audit Quality and Appointments  
John Gilchrist, Manager, Audit Quality and Appointments  
Paul Reilly, Secretary to the Accounts Commission

## 1. Minutes of meeting on 14 December 2021

The draft minutes dated 14 December 2021 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

Management Team invited Paul Reilly, Secretary to the Accounts Commission to join the meeting following Elma Murray's resignation as Interim Chair of the Commission. Paul advised Management Team of engagement with the Scottish Government in relation to the anticipated appointment and announcement of a new Chair for the Accounts Commission and of interim governance arrangements and engagement with Communications on internal and external announcements. Management Team welcomed the update.

## 2. Confidential minutes of meeting on 7 December 2021

The draft confidential minutes dated 7 December 2021 were considered and Management Team agreed that these were an accurate record of the meeting.

### 3. Confidential item

This item is the subject of a separate confidential minute.

*Diane McGiffen left the meeting.*

### 4. Parliamentary engagement update

*Mark Roberts, Audit Director, Performance Audit and Best Value and Simon Ebbett, Communications Manager, joined the meeting.*

Gemma Diamond introduced the Parliamentary engagement update report, copies of which had been previously circulated.

Management Team were invited to note and discuss the update on the progress on parliamentary engagement.

During detailed discussion, Management Team considered the report and appendix which detailed all aspects of Audit Scotland and Auditor General for Scotland and noted ongoing Accounts Commission engagement with primary focus on communities and councils. Management Team noted ongoing development within Parliament between the Committees and welcomed the positive feedback received from the Parliamentary clerking team on engagement to date.

Management Team agreed to delay the meet and greet session in light of ongoing restrictions, noted the engagement and agreement in principle to utilising the engagement tracker with further consideration required to support this given the resource required.

Following discussion, Management Team welcomed the report and recognised the work by the team on progress made and agreed the model of engagement provided assurance the approach was working well.

*Mark Roberts left the meeting.*

### 5. ISAAB consultation: Less complex entities

*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.*

John Gilchrist introduced the ISAAB consultation: Less complex entities report, copies of which had been previously circulated.

Management Team were invited to consider the proposal to respond to the consultation, comment on the draft response and to approve the response on the basis discussed.

During detailed discussion, Management Team noted John Gilchrist's attendance at the ICWA hosted webinar on the less complex entity draft with representatives from the FRC, ISAAB, audit firms and welcomed the summary of discussions and interest on a proposed bespoke standard for less complex entities. Management Team noted the gaps identified in the proposed standard and considered the recommendation that Audit Scotland do not use the standard as currently drafted, agreed further consideration was required to amend the standard to support reduced work effort, supported in principle the proposal that groups be

excluded from the standard and considered the wider ramifications for public audit in Scotland.

Management Team welcomed the proposal to respond to the consultation and agreed Fiona and John develop a broader narrative in our response prior to its submission.

Following discussion, Management Team welcomed the report and discussion.

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

## **6. Covid-19 update**

Management Team considered the updates regarding Covid-19 provided in the external summary document.

Management Team noted reports in relation to the rapid spread of the Omicron variant and awaited the First Minister's announcement scheduled later in the day on any potential changes to current restrictions.

Following discussion, Management Team noted the update.

## **7. Draft Management Team agenda: 11 January 2021**

Management Team noted the proposed agenda for the meeting of Management Team on 11 January 2022.

## **8. Draft Leadership Group agenda: 16 January 2022**

Management Team noted the proposed agenda for the meeting of the Leadership Group on 16 January 2022.

*Diane McGiffen rejoined the meeting.*

## **9. Any other business**

Stephen Boyle recorded his personal thanks to Diane McGiffen as this her last meeting of Management Team and colleagues paid tribute to her contribution to Audit Scotland and the energy, skill and corporate legacy she leaves before wishing her every success in her new role as Chief Executive of the Law Society of Scotland.

Diane expressed her gratitude to Management Team colleagues for their support and believed she was leaving a Management Team who had a strong sense of purpose to deliver world class audit for Scotland.

## **10. Date of next meeting: 11 January 2022**

The next meeting of Management Team will take place on 11 January 2022.