

Minutes

Management Team



Tuesday 17 December 2019, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

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

Apologies:

None

There in attendance:

John Gilchrist, Manager, Audit Quality and Appointments
Owen Smith, Senior Manager, Audit Quality and Appointments
Simon Ebbett, Communications Manager
Kirsty Gibbins, Communications Adviser
Fiona Diggle, Auditor, Performance Audit and Best Value
Veronica Cameron, Auditor, Performance Audit and Best Value
Nicola Constable, Executive Assistant
Martin Walker, Associate Director, Corporate Performance and Risk
Gemma Diamond, Audit Director, Performance Audit and Best Value
Mark Taylor, Audit Director, Audit Services and Performance Audit and Best Value

1. Minutes of meeting 10 December 2019

The draft minutes dated 10 December 2019 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. New audit appointments for 2019/2020

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

John Gilchrist introduced the New audit appointments for 2019/2020 report, copies of which had been previously circulated.

John invited Management Team to consider and comment on Audit Quality and Appointments' proposals for the appointment of auditors for two new bodies South of Scotland Enterprise and Public Health Scotland which will be subject to audit in 2019/20.

Management Team considered the proposed appointments in light of existing audit portfolios and following discussion approved the proposed appointments for the two new bodies.

Management Team discussed the scoping of audit work, resourcing and audit fees for new bodies generally.

3. Non-standard public audit appointments

John Gilchrist introduced the Non-standard public audit appointments report, which had been previously circulated.

John invited Management Team to note the arrangements for audit of non-standard public sector bodies which includes primarily public sector owned companies. Management Team were invited to consider those public sector bodies which are not captured under existing arrangements and explore how the model of public audit in Scotland could influence changes.

During discussion Management Team reflected on the current process of s483 orders and agreed they would welcome the Audit Quality and Appointments team to take a more proactive approach and engage with Government on the governance arrangements when considering which bodies should be brought into public audit.

Fiona Kordiak advised that she, Antony Clark and John Cornett were preparing a briefing paper for PAPLs to consider on 23 January 2020.

Following discussion, Management Team welcomed the report and discussion.

Owen Smith and John Gilchrist left the meeting.

4. Audit Scotland 2020 communications and engagement

Simon Ebbett, Communications Manager and Kirsty Gibbins, Communications Adviser, joined the meeting.

Simon Ebbett introduced the Audit Scotland 2020 communications and engagement report, copies of which had been previously circulated.

Simon invited Management Team to consider and comment on the proposed Audit Scotland 2020 Communications and Engagement Strategy.

During detailed discussion, Management Team considered the proposed communications to highlight and celebrate the work of Audit Scotland in its twentieth year.

Management Team agreed with the broad themes of the campaign and branding together with planning and communication of the Audit Scotland 2020 Conference and proposed seminar series. Management Team reflected on the role of public audit over the past 20 years together with Audit Scotland's ambition for the future of public audit.

Following discussion, Management Team welcomed the report and Diane McGiffen agreed to liaise on a draft communication to be shared with colleagues early in the New Year.

Action(s): Diane McGiffen to liaise with Communications on an initial 2020 communication to colleagues. (January 2020)

Simon Ebbett and Kirsty Gibbins left the meeting.

5. Annual conference 2020 - draft agenda

Fiona Diggle, Auditor, Veronica Cameron, Auditor, Performance Audit and Best Value and Nicola Constable, Executive Assistant, joined the meeting.

Veronica Cameron introduced the Annual conference 2020 draft agenda, which had been previously circulated.

Veronica invited Management Team to consider and approve the proposed structure for the 2020 Conference and welcomed any comments on the proposed keynote speaker, members of the panel session and the Q&A session with Auditor General for Scotland.

Management Team welcomed the report and thanked the team for their work in developing the overall agenda which was interesting and relevant, reflecting on and building on Audit Scotland's 2020 communications and engagement strategy.

Turning to the proposed content of the conference, Management Team welcomed the overall shape and content which provided opportunities for colleague interaction and engagement throughout the day.

Following discussion, Management Team welcomed the update on progress and welcomed early engagement and communication with colleagues in the run up to the conference.

Fiona Diggle, Veronica Cameron and Nicola Constable left the meeting.

6. Project resourcing and governance

Martin Walker, Associate Director, Corporate Performance and Risk, Gemma Diamond, Audit Director, Performance Audit and Best Value and Mark Taylor, Audit Director, Audit Services/Performance Audit and Best Value joined the meeting.

Martin Walker introduced the Project resourcing and governance report, copies of which had been previously circulated.

Martin invited Management Team to consider and approve the resourcing and governance arrangements set out in the report to support the Delivering world class audit improvement projects.

During detailed discussion, Management Team welcomed the assurance that the resourcing budget remained the same, noted the project leads, teams and governance arrangements proposed together with the establishment of a Programme Board to oversee the programme and ensure progress is as planned given the interdependencies between the respective projects.

Management Team welcomed the recruitment campaign for a project manager would commence in January 2020 and agreed Martin Walker's membership on the Programme Board.

Following discussion, Management Team approved the resourcing arrangements set out in the report.

Gemma Diamond and Mark Taylor left the meeting.

7. ONS reclassification of Audit Scotland

Martin Walker introduced the ONS reclassification of Audit Scotland report, which had been previously circulated.

Martin invited Management Team to note the reclassification of Audit Scotland in the ONS public sector classification guide.

Management Team noted the reclassification aligned Audit Scotland with other UK audit agency bodies, the SPSP etc. Martin advised the ONS had confirmed there were no implications for Audit Scotland's accounting process.

Following discussion, Management Team welcomed the report.

Martin Walker left the meeting.

8. Draft Management Team agenda: 14 January 2020

Management Team noted the draft agenda for the meeting of Management on 14 January 2019.

9. Any other business

There was no other business discussed.

10. Date of next meeting: 14 January 2020

The next meeting of Management Team will take place on 14 January 2020.

Minutes

Management Team



Tuesday 14 January 2020, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

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

Apologies:

None

There in attendance:

Simon Ebbett, Communications Manager
John Cornett, Audit Director, Audit Services
Martin Walker, Associate Director, Corporate Performance and Risk

1. Minutes of meeting 17 December 2019

The draft minutes dated 17 December 2019 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Auditing Best Value in councils and IJBs from 2021/22

Fraser McKinlay introduced the Auditing Best Value in councils and IJBs from 2021/22 report, which had been previously circulated.

Fraser invited Management Team to discuss the proposals for the development of Best Value audit in councils and IJBs.

During detailed discussion, Management Team welcomed the update and noted the Accounts Commission support for the overall shape and principles for the new approach to Best Value audit and welcomed the further development of the model which would clarify the potential scale of work required together with the impact on fees for councils.

Turning to IJBs, Management Team noted the working group had presented proposals to the Accounts Commission which had agreed principles to take forward the development of the model which would take place over the next six months. Management Team noted the consultation exercise which would include parliamentary engagement.

Management Team discussed how the approaches fit with the Public Audit in Scotland model, how that will be reflected in the forthcoming procurement strategy and recognised the need to build and enhance skills, including the use of data and resource requirements.

Management Team welcomed the report.

3. Communications Digest

Simon Ebbett, Communications Manager and John Cornett, Audit Director, Audit Services, joined the meeting.

Simon introduced the Communications Digest report, a copy of which had been previously circulated.

Simon invited Management Team to consider the key issues and forthcoming publications and whether more detailed statistics on the activity reported would be beneficial.

During discussion, Management Team reflected on the level of activity and engagement before Christmas and the overall coverage received.

Following discussion, Management Team welcomed the shorter, more focussed report and agreed to see more detailed statistics in the next scheduled report.

4. Hotlist of emerging audit risks

John Cornett introduced the Hotlist of merging audit risks report, which had been previously circulated.

John invited Management Team to consider and comment on the emerging risks, review the watchlist and agree the closure of cases reported.

During detailed discussion, Management Team welcomed the streamlining of the report and considered the risks reported. Management Team noted that while fraud matters were appearing more frequently, this stemmed from a higher profile and focus on fraud as opposed to higher number of cases.

Management Team discussed the proposed closure of risks and agreed these subject to one remaining on the watchlist.

Diane McGiffen highlighted the McCloud case and how this will affect public bodies. John advised the Tribunal requires to agree what the legal remedy will be before bodies can understand the impact on their accounts and services. Management Team noted this has been mainstreamed into the audit process and as such will be reported in due course.

Management Team welcomed John's views on the process to bring the hotlist report together and John agreed to seek the views of the Audit Directors.

Following discussion, Management Team welcomed the report.

Simon Ebbett and John Cornett left the meeting.

5. Digital Services recycling proposal

Martin Walker, Corporate Performance and Risk, joined the meeting.

Martin Walker introduced the Digital Services recycling proposal report, a copy of which had been previously circulated.

Martin invited Management Team to approve the proposal to donate the recycling credit from the replacement exercise to Audit Scotland's corporate charity.

Management Team discussed the proposal and sought further clarification on the rationale for the proposal and Martin advised David Robertson would provide the information sought.

Martin Walker left the meeting.

6. Draft Management Team agenda: 21 January 2020

Management Team noted the draft agenda for the meeting of Management on 21 January 2020.

7. Any other business

Best Companies

Management Team discussed the high results from the survey which were being shared with the respective business groups at meetings over the course of the next two weeks.

Code of audit practice

Management Team noted the forthcoming workshop with Accounts Commission members ahead of the Steering Group meeting on Monday 20 January 2019.

8. Date of next meeting: 21 January 2020

The next meeting of Management Team will take place on 21 January 2020.

Minutes

Management Team



Tuesday 21 January 2020, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

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

Apologies:

None

There in attendance:

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

1. Minutes of meeting 14 January 2020

The draft minutes dated 14 January 2010 were considered and Management Team agreed these were an accurate record of the meeting, subject to amendment.

2. 2019/20 Year end statutory accounts timetable

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2019/20 Year end statutory accounts timetable report, a copy of which had been previously circulated.

Stuart invited Management Team to agree the timetable for the completion of the Statutory Accounts for the year ended 31 March 2020 to be presented to the Audit Committee for approval at its meeting on 4 March 2020.

Management Team welcomed the timeline and agreed its submission to the Audit Committee.

Stuart advised Management Team of discussions with Alexander Sloan on the new accounting standard which affects property and car value. Management Team welcomed the update, noting the likely impact on capital allocation in the accounts for the next financial year. Stuart advised an update report would come to Management Team in February.

Action(s): **Stuart Dennis to bring an update report on accounting policies.
(February 2020)**

Stuart Dennis left the meeting.

3. EU Withdrawal update

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

Martin Walker introduced the EU withdrawal update report, which had been previously circulated.

Martin invited Management Team to note the update which focussed on audit work and organisational matters which had been tested against the 'Preparing for withdrawal from the European Union' issued in December 2019, and invited Management Team to agree the proposal for future updates to come to Management Team.

During discussion, Management Team noted the update, welcomed the assurance provided by testing arrangements and agreed consideration of the work programme around the impact of Brexit next year would be welcomed as part of the proposed schedule of future updates.

Following discussion, Management Team welcomed the discussion and agreed an updated version of the report for presenting to the Board on 29 January 2020.

Action(s): **Martin Walker, Simon Ebbett and Mark Roberts to present an updated report to the Board. (January 2020)**

Martin Walker, Simon Ebbett and Mark Roberts to consider the impact of Brexit on the future work programme. (May 2020)

Martin Walker left the meeting.

4. Communications and engagement strategy

Simon Ebbett introduced the Communications and engagement strategy report, a copy of which had been previously circulated.

Simon invited Management Team to consider the update to the draft communications and engagement strategy following engagement and input from Performance Audit and Best Value Audit Services leadership teams.

During discussion, Management Team welcomed the collaboration with colleagues on the updated strategy and provided detailed comments to strengthen the commentary on the vision, agreed the implementation section required to be streamlined and discussed the need to continue to build the resilience and skills of the team in order to be able to deliver in a dynamic and evolving environment.

Following discussion, Management Team welcomed the updated strategy and subject to amendment agreed it would be presented to the Board for approval.

Action(s): **Simon Ebbett to present the updated strategy to the Board for approval. (January 2020)**

Simon Ebbett left the meeting.

5. Audit Committee Terms of reference

Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Gayle Fitzpatrick introduced the Audit Committee Terms of reference report, which had been previously circulated.

Gayle invited Management Team to note the amendments to the Terms of Reference agreement by the Audit Committee in January 2020 which will be presented to the Board for approval on 29 January 2020.

Management Team noted the updated Terms of Reference and agreed a minor amendment prior to submission to the Board for approval.

Gayle Fitzpatrick left the meeting.

6. Draft Accounts Commission agenda: 6 February 2020

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

Paul Reilly introduced the Draft Accounts Commission agenda: 6 February 2020 report, a copy of which had been previously circulated.

Paul invited Management Team to note the proposed agenda for the next meeting of the Accounts Commission.

Management Team noted the agenda and welcomed the report.

7. Draft Management Team agenda: 28 January 2020

Management Team noted the draft agenda for the meeting of Management on 28 January 2020 and subsequently agreed the meeting be cancelled as the business was coming to later meetings.

8. Draft Board agenda: 29 January 2020

Diane McGiffen invited Management Team to note the draft agenda for the Board meeting scheduled.

9. Any other business

Code of audit practice

Diane McGiffen provided Management Team with an update on discussions following the Steering Group meeting on Monday 20 January 2019.

10. Date of next meeting

Following the cancellation of the meeting on 28 January 2020, the next meeting of Management Team will take place on 4 February 2020.

Minutes

Management Team



Tuesday 28 January 2020, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

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

Apologies:

None

There in attendance:

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

1. Minutes of meeting 14 January 2020

The draft minutes dated 14 January 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. 2019/20 Year end statutory accounts timetable

Stuart Dennis, Corporate Finance Manager joined the meeting.

Stuart Dennis introduced the 2019/20 Year end statutory accounts timetable report, a copy of which had been previously circulated.

Management Team were invited to agree that the timetable for the completion of the Statutory Accounts for the Year ended 31 March 2020 be presented to the Audit Committee for approval.

Stuart Dennis left the meeting.

3. EU withdrawal update

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

Martin Walker introduced the EU withdrawal update report, a copy of which was previously circulated.

Management Team were invited to note this update, note that a refined version of this report will be presented to the Board on 29 January 2020 and to also agree that it will review the implications of EU withdrawal according to the timescale outlined in paragraph 10.

Martin Walker left the meeting.

4. Communications and engagement strategy

Simon Ebbett introduced the Communications and engagement strategy report, a copy of which was previously circulated.

Management Team was invited to review the attached draft Communications and Engagement Strategy.

Simon Ebbett left the meeting.

5. Audit Committee Terms of reference

Gayle Fitzpatrick, Corporate Governance Manager joined the meeting.

Gayle Fitpatrick introduced the Audit Committee Terms of reference report, a copy of which had been previously circulated.

Management Team was invited to note the amendments to the TOR agreed by Audit Committee in January 2020, which will be presented to Board for approval on 29 January 2020.

Gayle Fitzpatrick left the meeting.

6. Draft Accounts Commission agenda 6 February 2020

Management Team noted the draft agenda for the meeting of the Accounts Commission on 6 February 2020.

7. Draft Management Team agenda: 28 January 2020

Management Team noted the draft agenda for the meeting of Management on 28 January 2020.

8. Draft Board agenda 29 January 2020

Management Team noted the draft agenda for the meeting of the Board on 29 January 2020.

9. Any other business

There was no other business.

10. Date of next meeting: 28 January 2020

The next meeting of Management Team will take place on 28 January 2020.

Minutes

Management Team



Tuesday 4 February January 2020, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Fiona Kordiak (Chair)
Caroline Gardner
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

Diane McGiffen

There in attendance:

Gemma Diamond, Audit Director, PABV
Morag Campsie, Senior Manager, PABV
Stuart Dennis, Corporate Performance Manager
Ian Metcalfe, Corporate Performance Manager
Gayle Fitzpatrick, Corporate Governance Manager
Susan Burgess, Assistant HR Manager
Tracey Bray, Senior Business Partner OD, Human Resources

1. Minutes of meeting 21 January 2020

The draft minutes dated 21 January 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to a minor amendment.

2. Refreshing the digital strategy

Gemma Diamond, Audit Director, PABV and Morag Campsie, Senior Manager, PABV, joined the meeting.

Gemma Diamond introduced the Refreshing the digital strategy presentation, copies of which had been previously circulated.

Gemma invited Management Team to consider the proposed approach to delivering a refreshed digital strategy for 2020-23, the development of the supporting action plan over the summer to come back to Management Team in August 2020 and then the Board in September 2020.

During detailed discussion, Management Team noted the range of work and skills required to deliver a refreshed strategy, including the review of governance for digital auditing and involvement in KITGG, consideration of a model to support one organisation working together with engagement with stakeholders and colleagues to identify trends, gaps and opportunities.

Following discussion, Management Team welcomed the proposed approach to developing the Digital strategy 2020-23.

Action(s): The refreshed Digital Strategy 2020-23 would be scheduled to come back to Management Team after the summer. (August 2020)

Gemma Diamond and Morag Campsie left the meeting.

3. Q3 Financial performance report

Stuart Dennis, Corporate Finance Manager joined the meeting.

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

Stuart invited Management Team to note the financial results for the 9 months to 31 December 2019 reporting an underspend of £23k.

Management Team discussed the latest financial position, noting the higher agency costs associated with supporting the EAFA audit work and received assurance around current and proposed WIP levels together with available budgets.

Following discussion, Management Team welcomed the report.

4. 2019/20 Accounting policies, key accounting estimates and judgements

Stuart Dennis introduced the 2019/20 Accounting policies, key accounting estimates and judgements report, copies of which had been previously circulated.

Stuart invited Management Team to consider and approve the submission of the 2019-20 Accounting policies, key accounting estimates and judgements to the Audit Committee meeting on 4 March 2020 and to the Board on 25 March 2020.

During detailed discussion, Management Team noted the new accounting standard IFRS16 which will be adopted by the FReM from 1 April 2020 and considered the potential future liability for Audit Scotland in respect of future lease payment commitments on property and vehicles.

Following discussion, Management Team recognised the impact for Audit Scotland and agreed Stuart should seek further guidance on this. Management Team also recognised the potential impact for audited bodies.

Stuart Dennis left the meeting.

5. Internal audit:

- Recommendations update report**

Gayle Fitzpatrick, Corporate Governance Manager, and Ian Metcalfe, Corporate Performance Officer, Susan Burgess, Assistant HR Manager and Tracey Bray Tracey Bray, Senior Business Partner OD, Human Resources, joined the meeting.

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

Gayle invited Management Team to note the progress reported on internal audit recommendations prior to submission of the report to the Audit Committee for its consideration on 4 March 2020.

Management Team welcomed the update and agreed it would be helpful to clearly state where progress of recommendations was on track to be completed.

- Staff recruitment and selection report**

Gayle Fitzpatrick introduced the Internal audit report on Staff recruitment and selection, a copy of which had been previously circulated.

Gayle invited Management Team to note the moderate assurance received for the design and operational effectiveness and the six recommendations received, one being of medium priority and five low priority.

Management Team noted the assurance received together with the areas for continued improvement. Susan Burgess advised of engagement with the business groups in relation to the recruitment and selection process and systems, highlighting developments already underway including the successful implementation of recruitment and selection training and the delivery of coaching clinics to maintain good practice.

Following discussion, Management Team agreed that the management responses required to be updated to reflect the work already underway to streamline and review the existing process and supporting system.

- **Learning and development report**

Gayle Fitzpatrick introduced the Internal audit report on Learning and development, copies of which had been previously circulated.

Gayle invited Management Team to note moderate assurance received for the design and operational effectiveness and the five recommendations, four of medium priority and one low priority.

Management Team noted the assurance received and Tracey Bray advised that a number of the recommendations related to the manual administration and use of a number of various systems.

Management Team agreed that the management response required to be updated to reflect the level of L&D activity across the organisation together with the development and use of tools now available including the new HR system to capture data.

Action(s): **The management responses on the Staff recruitment and selection internal audit report to be revised prior to submission to the Audit Committee, (February 2020)**

The management responses on the Staff recruitment and selection internal audit report to be revised prior to submission to the Audit Committee, (February 2020)

Ian Metcalfe, Susan Burgess and Tracey Bray left the meeting.

6. Data incident/loss report

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

Gayle invited Management Team to note the report of five data incidents which occurred in the period between 1 October and 30 December 2019.

Management Team noted the data incidents reported and following discussion agreed it would welcome a review of what constitutes a reportable incident as part of the next scheduled report together with further communication with colleagues.

Gayle Fitzpatrick left the meeting.

7. Draft Accounts Commission agenda 20 February 2020

Management Team noted the draft agenda for the meeting of the Accounts Commission on 20 February 2020.

8. Draft Management Team agenda: 18 February 2020

Management Team noted the draft agenda for the meeting of Management on 18 February 2020.

9. Any other business

There was no other business.

10. Date of next meeting: 18 February 2020

The next meeting of Management Team will take place on 18 February 2020.

Minutes

Management Team



Tuesday 18 February 2020, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

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

Apologies:

None

There in attendance:

John Gilchrist, Manager, Audit Quality and Appointments
Paul Reilly, Secretary to the Accounts Commission
David Robertson, Digital Services Manager
Ian Metcalfe, Corporate Performance Officer
Simon Ebbett, Communications Manager
Martin Walker, Associate Director, Corporate Performance and Risk

1. Private meeting

Management Team ran through the format of the agenda on this, the first 'open' meeting of Management Team.

2. Minutes of meeting 4 February 2020

The draft minutes dated 4 February 2019 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

3. Audit appointment changes in ASG 2019/20

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

John Gilchrist introduced the Audit appointment changes in ASG 2019/20 draft report to the Auditor General, copies of which had been previously circulated.

John invited Management Team to consider the recommended changes to ASG audit portfolios to reflect changes in staffing arising from promotions and recruitment.

A discussion followed on AQA's rationale for proposals for appointments to the Scottish Public Pensions Agency, NHS Superannuation Scheme, Scottish Teachers Superannuation Scheme, Scottish Commission on Social Security, Standards Commission for Scotland, Queen's and Lord Treasurer's Remembrances and Scottish Legal Aid Board by the Auditor General for Scotland.

Management Team welcomed the report and approved the proposed changes to audit portfolios, which would apply to 2019/20 audits.

An updated list of engagement leads and appointed auditors would be available in due course.

Action: **Fiona Kordiak to oversee an updated list of engagement leads and appointed auditors (April 2020).**

4. Public services reform consultation

John Gilchrist introduced the draft response to the Scottish Government's consultation on extending the duration of Part 2 order making powers under the Public Services Reform Scotland (PSR) Act 210 for a further 5 year period from June 2020.

Management Team was invited to consider and comment on the draft consultation response which would be submitted by Audit Scotland on behalf of the Auditor General and the Accounts Commission.

Following discussion, Management Team approved the draft consultation response, subject to amendment. A final review would be undertaken by Diane McGiffen and Fraser McKinlay.

Action: **Diane McGiffen and Fraser McKinlay to review final draft of consultation response (prior to 24 February 2020).**

John Gilchrist left the meeting.

5. Accounts Commission strategy seminar 2020

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

Paul Reilly introduced the Accounts Commission strategy seminar 2020 report, copies of which had been previously circulated.

Following discussion, it was agreed that Fraser McKinlay and Paul Reilly would liaise outwith the meeting to finalise arrangements.

Action: **Fraser McKinlay and Paul Reilly to finalise arrangements for strategy seminar (February).**

6. Accounts Commission strategy refresh 2020-25

Paul Reilly introduced the Accounts Commission strategy refresh 2020-25, copies of which had been previously circulated.

Management Team was invited to consider and comment on the draft 2020-25 Commission Strategy and noted that it would be considered by the Accounts Commission at its 12 March meeting.

Management Team welcomed the streamlined report which combined Accounts Commission key strategic developments currently underway including the revised Code of Audit Practice and developing the audit of Best Value including its application to health and social care integration and joint boards.

Fraser McKinlay would liaise with Paul Reilly outwith the meeting to finalise the document.

Action: **Fraser McKinlay to liaise with Paul Reilly to finalise the strategy (February).**

Paul Reilly left the meeting.

7. Digital security update

David Robertson, Digital Services Manager joined the meeting.

David Robertson introduced the Digital security update, copies of which had been previously circulated.

David summarised the active threats and risks which had now been directed into two categories – Environmental threats, encompassing attacks not directly targeted at Audit Scotland but that may influence our business; and Directed threats, comprising of all attacks that are specifically targeted at Audit Scotland or its employees.

Management Team welcomed the actions and improvements from September 2019 and the planned future enhancements to digital security.

Management Team thanked the Digital Services Group for their valuable contribution to the organisation.

8. Internal audit follow up review

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

Ian Metcalfe introduced the Internal audit follow up review copies of which had been previously circulated.

Management Team welcomed the overall status of recommendations – of the 11 recommendations due to be implemented, 7 recommendations had been categorised as fully implemented, 3 had been partially implemented and 1 was superseded.

A discussion followed on ASG transferring to the new TR system and Management Team noted that management reporting had to be in place before the transfer could proceed. It was agreed that the date of this transfer would be intimated verbally to the Audit Committee at its next meeting.

Management Team noted the contents of the report.

9. Communications and stakeholder engagement internal audit report

Simon Ebbett introduced the Communications and stakeholder engagement internal audit report, copies of which had been previously circulated.

Simon highlighted the key elements of the report and Management Team voiced their appreciation for the assurances provided.

Management Team noted the contents of the report.

Simon Ebbett left the meeting.

10. Internal audit plan 2020/21 progress update

Martin Walker introduced the Internal audit plan 2020/21 progress update report, copies of which had been previously circulated.

Martin highlighted the key elements of the report and Management Team noted that eight areas across the business would be selected for internal audit from April 2020 onwards.

Management Team noted the contents of the report.

11. Review of risk register

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

Martin highlighted the 3 key changes in respect of risks for Audit Scotland – EU withdrawal, successful delivery of the Code of Audit Practice and a new risk, failure of resources – increase in audit costs from the Firms following the audit appointments tender exercise.

A discussion followed on ASG resourcing and it was agreed that two dates would be identified for Management Team to consider a formal stocktake of resourcing. Martin would liaise with Mark Taylor in this respect.

Action: **Martin Walker to liaise with Mark Taylor in respect of ASG resourcing (March).**

12. Risk interrogation: Independence

Martin Walker introduced the Risk interrogation: Independence report, copies of which had been previously circulated.

Management Team welcomed the positive assurance overall of the strategic risk into failure of independence.

Following discussion, it was agreed that two separate papers would be considered by Management Team in respect of the Brydon review and the Redmond review. Fiona Kordiak would liaise with Gillian Woolman in this respect.

Management Team welcomed the report.

Action: **Fiona Kordiak to liaise with Gillian Woolman in respect of the Brydon review (March).**

13. Business continuity arrangements annual review

Ian Metcalfe introduced the Business continuity arrangements annual review report, copies of which had been previously circulated.

Management Team was invited to note the annual review of our Business Continuity arrangements and to agree that the plan may be updated during the year to account for changes in people or contact details.

Management Team welcomed the clear and concise structure of the report and stressed the importance of keeping the document live and current and easily accessible.

A discussion followed on the coronavirus epidemic and this will be escalated in the BCP should the UK status change.

Management Team welcomed the report.

Martin Walker, Ian Metcalfe and David Robertson left the meeting.

14. Draft Audit Committee agenda: 4 March 2020

Management Team noted the draft agenda for the meeting of the Audit Committee on 4 March 2020.

15. Draft Management Team agenda: 25 February 2020

Management Team noted the draft agenda for the meeting of the Management Team on 25 February 2020, subject to minor amendment.

16. Confidential item

See confidential minute.

17. Any other business

There was no other business.

18. Date of next meeting: 25 February 2020

The next meeting of Management Team will take place on 25 February 2020.

Minutes

Management Team



Tuesday 3 March 2020, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

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

Apologies:

There were no apologies

There in attendance:

Susan Burgess, Assistant HR Manager
David Blattman, HR OD Manager
Brain Howarth, Audit Director, Audit Services
Patrick McFall, Communications Manager
Stuart Dennis, Corporate Finance Manager
Fiona Mitchell-Knight, Audit Director, Audit Services
Robert Leask, Project Manager, Audit Quality and Appointments

1. Private meeting

A private meeting of Management Team was held and there were no issues or questions arising.

2. Minutes of meeting 25 February 2020

The draft minutes dated 25 February 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

3. Gender pay gap report

Susan Burgess, Assistant Human Resources Manager and David Blattman, HR & OD Manager, joined the meeting.

Susan Burgess introduced the Gender pay gap report, copies of which had been previously circulated.

Susan invited Management Team to consider the report and information provided, share any insights or comments and approve the report for publication, subject to final formatting by the Communications team.

During discussion, Management Team agreed it would be helpful to show the trend information in a graphic together with an exhibit capturing the change in Audit Scotland's approach to recruitment.

Management Team noted that from an initial review of the data, Audit Scotland's family friendly policies seem to attract more female applicants and the latest intake of trainees were largely female.

Following discussion, Management Team noted the gender pay gap in Audit Scotland has widened slightly and agreed that more information relating to men and women's pay and length of service should also be drawn out in the report.

Action(s): Susan Burgess and David Blattman to update the Gender pay gap report. (March 2020)

Susan Burgess and David Blattman, left the meeting.

4. Hotlist of emerging audit risks

Brian Howarth, Audit Director, Audit Services, and Patrick McFall, Communications Adviser, joined the meeting.

Brian Howarth introduced the Hotlist of emerging audit risks report, copies of which had been previously circulated.

Brian invited Management Team to consider the hotlist of emerging risks across the audited bodies and including the potential impact of Coronavirus.

During discussion, Management Team agreed a number of changes including risks to move to the watchlist and agreed regular verbal updates on Covid-19 would be scheduled each week to come to Management Team.

Following discussion, Management Team welcomed the report.

5. Communications digest

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

Patrick invited Management Team to consider the report which provided an update on external and internal communications.

During discussion, Management Team reflected on coverage in relation to Brexit, the vote by Scottish Government/Parliament to back the general principles of the Scottish Budget and other key issues.

Following discussion, Management Team welcomed the report and discussion.

Brian Howarth and Patrick McFall left the meeting.

6. Audit Scotland budget 2020/21

Stuart Dennis, Corporate Finance Manager, joined the meeting.

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

Stuart invited Management Team to consider and discuss the report and agree the presentation of the updated 2020/21 proposed budget to the Board on 24 March 2020. Management Team noted

the budget remained the same subject to any changes following on from the 2020/21 pay award policy decisions.

During detailed discussion, Management Team agreed with the budget proposals and noted the additional fees, some of which were still to be agreed and new audit work which was yet to be confirmed for the budget year.

Fiona Kordiak sought clarification on the source of additional income for additional resource needs in Audit Services. Stuart agreed to liaise with Brian Howarth and Mark Taylor in the first instance.

Following discussion, Management Team welcomed the report and agreed its submission to the Board subject to any significant changes.

Stuart advised he would

Action(s): Stuart Dennis to discuss with Brian Howarth and Mark Taylor Audit Services additional resource needs. (March 2020)

7. – 10. Confidential items

Items 7 to 10 are subject to a separate confidential minute.

11. Draft Board agenda: 25 March 2020

Management Team noted the draft agenda for the meeting of the Board on 25 March 2020.

12. Draft Management Team agenda: 10 March 2020

Management Team noted the draft agenda for the meeting of the Management Team on 10 March 2020.

13. Any other business

There was no other business.

14. Date of next meeting: 10 March 2020

The next meeting of Management Team will take place on 10 March 2020.

Minutes

Management Team



Tuesday 10 March 2020, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

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

Apologies:

There were no apologies

There in attendance:

Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager
David Blattman, HR OD Manager
Gayle Fitzpatrick, Corporate Governance Manager
Mark Taylor, Audit Director, Audit Services
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
Gillian Woolman, Audit Director, Audit Services

1. Minutes of meeting 3 March 2020

The draft minutes dated 3 March 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Covid-19 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 Management Team with an update on Covid-19 update

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

3. Data protection policy

Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

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

Management Team were invited to consider the proposed amendments to the GDPR policy and subject to any changes recommend the policy for approval by the Board at its meeting on 25 March 2020.

Gayle Fitzpatrick left the meeting.

4. Corporate plan 2020/21 update

Martin Walker introduced the Corporate plan 2020/21 update, copies of which had been previously circulated.

Management Team were invited to consider the proposed structure process and broad content for the 2020/21 corporate plan update.

Martin Walker left the meeting.

5. Financial devolution and constitutional change update

Mark Taylor, Audit Director, Audit Services and Rebecca Seidel, Audit Manager, Performance Audit and Best Value, joined the meeting.

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

Management Team were invited to note the contents of this report and approve it for issue to the Board.

6. Update on cross-border auditing

Mark Taylor introduced the Update on cross-border auditing report, copies of which were previously circulated.

Management Team were invited to note the good progress being made in implementing cross-border auditing arrangements

Mark Taylor and Rebecca Seidel left the meeting.

7. Fit and proper review – verbal update

Fiona Kordiak began the discussion on the Fit and proper review.

8. Briefing on the Brydon Report

Gillian Woolman, Audit Director, Audit Services, joined the meeting.

Gillian Woolman introduced the Briefing on the Brydon Report, copies of which had been previously circulated.

Management Team were invited to note the emerging messages from the Brydon Report and to consider how we might influence how the recommendations therein are interpreted and taken forward.

Gillian Woolman left the meeting.

9. Reports for Remuneration and Human Resources Committee meeting: 25 March 2020

David Blattman, HR and OD Manager re-joined the meeting.

David Blattman introduced the Reports for Remuneration and Human Resources Committee meeting: 25 March 2020, copies of which had been previously circulated.

Management Team was invited to review and comment upon the draft Remco agenda and each of the reports shown in the appendices.

10. Confidential report

11. Confidential report

12. Lothian Pension Fund policy statement

David Blattman introduced the Lothian Pension Fund policy statement,

13. Modernisation of staff handbook

David Blattman introduced the Modernisation of staff handbook

14. Draft Remuneration and Human Resources Committee meeting: 25 March 2020

Management Team noted the draft agenda for the meeting of the Remuneration and Human Resources Committee 25 March 2020.

15. Draft Management Team agenda: 10 March 2020

Management Team noted the draft agenda for the meeting of the Management Team on 10 March 2020.

16. Any other business

There was no other business.

17. Date of next meeting: 10 March 2020

The next meeting of Management Team will take place on 10 March 2020.

Minutes

Management Team



Tuesday 17 March 2020, 9.30am
Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

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

Apologies:

There were no apologies

There in attendance:

Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager
David Blattman, HR OD Manager

1. Minutes of meetings

3 March 2020

The draft minutes dated 3 March 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

10 March 2020

The draft minutes dated 10 March 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. 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

Draft update paper for Board 24 March 2020

Simon Ebbett and David Blattman left the meeting.

3. Public sector audit risk and assurance framework

Martin Walker introduced the Public sector audit risk and assurance framework report, copies of which have been previously circulated.

Management Team were invited to invited to review and comment on the revised risk assessments and risk profile.

Martin Walker left the meeting.

4. Draft Management Team agenda: 25 March 2020

Management Team noted the draft agenda for the meeting of the Management Team on 10 March 2020.

5. Any other business

There was no other business.

6. Date of next meeting: 25 March 2020

The next meeting of Management Team will take place on 25 March 2020.

Minutes

Management Team



Tuesday 7 April 2020, 9.30am

Meeting via Teams

Present:

Diane McGiffen (Chair)

Fiona Kordiak

Fraser McKinlay

Nicola Constable (Minutes)

Apologies:

Caroline Gardner

There in attendance:

David Blattman, HR OD Manager

Martin Walker, Associate Director, Corporate Performance and Risk

Gayle Fitzpatrick, Corporate Governance Manager

1. Minutes of meeting on 17 March 2020

The draft minutes dated 17 March 2020 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Covid-19 verbal update

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

Diane McGiffen advised this item was for discussion around the L&D proposals submitted by David Blattman, a copy of which report had been previously circulated.

David introduced the report and provided an update following the meeting of PDGG last week, highlighting the further wellbeing provisions and additional PABV training initiatives to be put in place.

Management Team considered the options set out, noting the proposed topics and formats for the programme and agreed this be communicated with colleagues.

Following discussion, Management Team welcomed the opportunity to align mandatory training and the introduction of a colleague survey to better understand and respond to areas of interest to be incorporated within the programme.

Management Team discussed the benefit of meeting with the firms' Audit Partners to obtain an update on current audits and share intelligence flowing from the COVID situation so far.

Action(s): **David Blattman to liaise with colleagues and DSG on creating a survey and aligning the training suites for further consideration later in the year. (April 2020)**

Nicola Constable to explore options for hosting a meeting with Audit Partners in early May. (April 2020)

David Blattman left the meeting.

3. Review of risk management framework

Martin Walker, Associate Director, Corporate Performance and Risk introduced the Review of risk management framework report, copies of which had been previously circulated.

Management Team were invited to note the review which provided an update on the risk management framework and, subject to any revisions, recommend it to the Audit Committee for its meeting on 6 May 2020.

Martin Walker summarised the minor amendments following the review and a discussion followed on how we reflect on any lessons learned on our arrangements following COVID-19.

Management Team welcomed the report and the assurance provided that the framework continues to be fit for purpose and noted that relevant information and evidence is being collated to support valuable lessons learned reviews.

4. Review of risk register

Martin Walker, Associate Director, Corporate Performance and Risk introduced the Review of risk register report, copies of which had been previously circulated.

Management Team was invited to review and comment on the revised risk register and to agree, subject to any revisions, its submission for consideration by the Audit Committee at its meeting on 6 May 2020.

Martin summarised the inclusion of the new risks on COVID-19 and invited any comments from Management Team.

Detailed discussion focused around the presentation of the risks as COVID-19 is a significant new risk but is also integrated through existing standard risks. Management Team welcomed the opportunity to refine the risks over the summer while providing assurance to the Board, Audit Committee and colleagues.

Management Team welcomed the discussion and Fraser McKinlay agreed to follow-up with Martin on the amendments to the risk register.

Action(s): Martin Walker to amend the report for the Audit Committee to refine the focus and structure around the COVID related risks. (April 2020)

5. Internal audit report 2019/20

Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Gayle Fitzpatrick introduced the Internal audit report 2019/20, copies of which had been previously circulated.

During discussion, Fiona Kordiak requested an addition to the report in relation to the Learning and Development audit to provide further detail around the delays between key stages.

Management Team welcomed the report.

Action(s): Gayle Fitzpatrick to liaise with BDO regarding the additional information. (April 2020)

6. Internal audit plan 2020/21

Gayle Fitzpatrick introduced the Internal audit plan 2020/21, copies of which had been previously circulated.

Gayle Fitzpatrick advised that the plan had been developed in consultation with BDO and invited Management Team to consider and comment on the proposed internal audit plan for the forthcoming year.

During discussion, Management Team noted various audits that may need to be moved and Diane McGiffen highlighted the opportunity for BDO to be able to review areas later in the year reflecting on the fundamental change in the way we are working and taking account of the impact on COVID-19 pandemic.

Management Team approved the plan for submission to the Audit Committee for consideration at its meeting on 6 May 2020, subject to the agreed amendments.

7. Draft Audit Committee agenda: 6 May 2020

Management Team noted the draft agenda for the meeting of the Audit Committee on 6 May 2020, subject to minor amendment.

Management Team highlighted the amount of business for the meeting. Martin Walker advised the team are preparing to make the meeting as smooth as possible to allow all business to be considered.

Gayle Fitzpatrick and Martin Walker left the meeting.

8. Draft Management Team agenda: 21 April 2020

Management Team noted the draft agenda for the meeting of Management Team on 21 April 2020.

9. Any other business

Fiona Kordiak advised of plans to commence with the recruitment for the new Audit Director after the Easter Holidays.

Following discussion, Management Team agreed the timings were appropriate and to proceed with the campaign.

10. Date of next meeting: 21 April 2020

The next meeting of Management Team will take place on 21 April 2020.

Minutes

Management Team



Tuesday 21 April 2020, 9.30am

Meeting via Teams

Present:

Diane McGiffen (Chair)

Caroline Gardner

Fiona Kordiak

Fraser McKinlay

Stephen Boyle

Joy Webber (Minutes)

Apologies:

There were no apologies.

There in attendance:

Gordon Smail, Audit Director, Performance Audit and Best Value
Ursula Lodge, Senior Audit Manager, Audit Services

Elaine Barrowman, Senior Audit Manager, Audit Services

Paul O'Brien, Senior Manager, Professional Support

Veronica Cameron, Auditor, Performance Audit and Best Value

Nicola Constable, Executive Assistant

David McGurk, Service Delivery Manager, Digital Services

David Blattman, HR & OD Manager

Martin Walker, Associate Director, Corporate Performance and Risk

Simon Ebbett, Communications Manager

Gayle Fitzpatrick, Corporate Governance Manager

Ian Metcalfe, Corporate Governance Officer

Catherine Young, Correspondence Manager, Performance Audit and Best Value

Erin McGinlay, Correspondence Officer, Performance

1. Minutes of meeting on 7 April 2020

The draft minutes dated 7 April 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Draft Audit Scotland transparency report

Gordon Smail, Audit Director, Performance Audit and Best Value and Ursula Lodge, Senior Audit Manager, Audit Services, joined the meeting.

Gordon Smail introduced the Draft Audit Scotland transparency report, copies of which were previously circulated.

Gordon invited Management Team to consider the draft Transparency Report for 2019 and comment on its format and content.

During detailed discussion, Management Team considered the assurance provided by the Transparency Report on the approach to audit work undertaken by Audit Services Group (ASG) and Performance Audit and Best Value (PABV), and the quality of our work despite the challenges around resourcing experienced during the course of the year.

Management Team acknowledged the quality of Best Value audit delivered over the past two years and expressed their appreciation of the work led by Antony Clark and Fiona Mitchell Knight.

Management Team discussed whether future reporting could incorporate analysis across audit agencies as well as the approach to sharing of results. Fiona Kordiak advised the publication of results was under consideration by the UK audit agencies.

Diane McGiffen summarised the key messages to be shared with colleagues to express appreciation of everyone's efforts and dedication to deliver improved audit quality and externally with stakeholders highlighting our continued commitment to deliver quality public audit.

Fraser McKinlay and Diane McGiffen advised they would share some minor comments on the report prior to its submission to the Audit Committee.

Following discussion, Management Team welcomed the assurance provided in the comprehensive report.

Action(s): Fraser McKinlay and Diane McGiffen to share comments on the draft report prior to its submission to the Audit Committee. (April 2020)

Ursula Lodge left the meeting.

3. Audit Quality: Improvement action

Elaine Barrowman, Senior Audit Manager, Audit Services, joined the meeting.

Gordon Smail introduced the Audit Quality: Improvement action report, copies of which were previously circulated.

Gordon invited Management Team to take assurance on the progress reported and a summary of the actions proposed to include training and review of Audit Service's approach to financial performance reporting.

During discussion, Management Team considered the comprehensive response to the findings from the independent review by ICAS, noting none of the significant findings related to the audit methodology and Fiona Kordiak advised of proposals to provide assurance around sampling in this year's audits. In terms of timescales for the delivering training and improvement projects, Gordon advised these will be revisited in light of Covid-19.

Management Team agreed a summary of the actions taken over the course of the year would be helpful to share with the Audit Committee.

Following discussion, Management Team welcomed the comprehensive report and the engagement of colleagues in supporting improved audit quality.

Elaine Barrowman left the meeting.

4. Professional Support: Performance summary for 2019/20 and plan for 2020/21

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

Gordon Smail introduced the Professional Support: Performance summary for 2019/20 and plan for 2020/21 report, copies of which had been previously circulated.

Gordon invited Management Team to note the team's performance over the course of the past year together with the priorities for 2020/21.

Management Team welcomed the report and the assurance provided, acknowledging the contribution of Professional Support across the business bringing joined up technical training and support on the audit methodologies and noted the focus of developments next year.

Management Team noted the proposed priorities for 2020/21 will be adjusted to allow for the impact of Covid-19 and acknowledged the likelihood of more complex technical support required.

Following discussion, Management Team welcomed the report and subject to minor amendments agreed its submission to the Audit Committee.

Gordon Smail and Paul O'Brien left the meeting.

5. Annual conference 2020 – options for a virtual conference

Veronica Cameron, Auditor, Performance Audit and Best Value, Nicola Constable, Executive Assistant and David McGurk, Service Delivery Manager, Digital Services, joined the meeting.

Veronica Cameron introduced the Annual conference 2020 – options for a virtual conference report, copies of which had been previously circulated.

Veronica invited Management Team to consider and approve the proposed structure for a series of virtual events and plans to deliver some live events later in the year together with the proposed conference communications content plan at Appendix 1.

Management Team considered each of the individual elements, with support by our technical capability and agreed it should be aligned with the internal communications plan for 2020 which includes the transition of the Auditor General for Scotland.

Management Team noted the proposal to host the conference in November 2020 and in light of the potential longer term impact of Covid-19 agreed we should seek further flexibility to accommodate this early in 2021.

Following discussion, Management Team acknowledged the work of the team to bring elements of the 2020 conference to colleagues virtually and welcomed the proposals subject to further consideration of timings and platforms of engagement.

Veronica Cameron, Nicola Constable, and David McGurk left the meeting.

6. COVID-19 Verbal update

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

Martin Walker invited Management Team to note the correspondence from the Scottish Government regarding the Job Retention Scheme. David Blattman advised of a technical update received from the Scottish Government on 2020 Pay award which he and Diane McGiffen will take forward.

Management Team agreed a weekly check in on absences and volunteering going forward.

Following discussion, Management Team welcomed the discussion.

David Blattman and Simon Ebbett left the meeting.

7. Suite of annual assurance reporting

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

Gayle Fitzpatrick introduced the report on the Suite of annual assurance reporting, copies of which had been previously circulated.

Management Team noted their respective interests in relation to the Hospitality and Gifts report and Stephen Boyle's involvement with one of the audited bodies in the annual correspondence report.

Gayle Fitzpatrick invited Management Team to consider the suite of annual assurance reports and, subject to any amendments, approve the submission of reports 9a, 9b, 9c, 9f, 9g, 9h and 9i to the Audit Committee on 6 May 2020 and to also approve the submission of reports 9d and 9e to Board on 1 June 2020.

a) Review of performance management arrangements

Management Team noted the report and welcomed the development of the dashboards before approving its submission to the Audit Committee.

b) Information governance and security

Management Team noted the report and subject to minor amendment approved its submission to the Audit Committee.

c) Data incident/loss

Management Team noted an increase in data incidents but welcomed the assurance there was no cause for concern instead noting that the training and awareness campaigns had led colleagues to being more able to identify what constitutes an incident with further refresher training being organised.

d) FOI/EIR

Management Team noted that while there has been a decrease in the number of requests received these have been more complex in nature. Stephen Boyle requested a further discussion on current procedures for publishing.

Following discussion, Management Team approved the submission of the report to the Board.

Action(s): Gayle Fitzpatrick to schedule a discussion with Stephen Boyle on the publication process of FOI/EIR requests.

e) Complaints

Management Team noted there had been four complaints received and following discussion approved the submission of the report to the Board.

f) Hospitality and gifts

Management Team noted the reduction in hospitality and gifts received and approved its submission to the Audit Committee.

g) Bribery and fraud

Management Team noted there were no instances of bribery or fraud to report and approved the submission of the report to the Audit Committee.

h) Correspondence and whistleblowing

Catherine Young, Correspondence Manager and Erin McGinlay, Correspondence Officer, joined the meeting.

Catherine Young introduced the annual report on Correspondence and Whistleblowing, a copy of which had been previously circulated.

Management Team reflected on the level of public interest in this area and the work of the team in dealing with queries and the likely increase of cases during and post Covid-19.

Following discussion, Management welcomed the comprehensive report and subject to minor amendment approved its submission to the Audit Committee.

i) Whistleblowing

Management Team noted there were no instances of whistleblowing reported and approved the submission of the report to the Audit Committee.

Diane McGliffen expressed Management Team's appreciation for the work undertaken in order to provide the assurance reported.

8. Internal audit recommendations progress update

Ian Metcalfe, Corporate Performance Office, joined the meeting.

Ian Metcalfe introduced the Internal audit recommendations progress update report, copies of which had been previously circulated.

Management Team noted the progress reported and approved its submission to the Audit Committee.

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

9. Draft Accounts Commission meeting agenda: 7 May 2020

Management Team noted the draft agenda for the meeting of the Accounts Commission on 7 May 2020.

10. Draft Board agenda: 13 May 2020

Management Team noted the draft agenda for the meeting of the Board on 13 May 2020.

11. Draft Management Team agenda: 28 April 2020

Management Team noted the draft agenda for the meeting of Management Team on 28 April 2020.

12. Any other business

Leadership Group

Management Team discussed the focus for the meeting of Leadership Group on 22 April 2020. Following discussion Diane McGiffen agreed to circulate an agenda to Leadership Group to frame the discussion.

Action(s): Diane McGiffen to circulate an agenda to Leadership Group. (April 2020)

13. Date of next meeting: 28 April 2020

The next meeting of Management Team will take place on 28 April 2020.

Minutes

Management Team



Tuesday 28 April 2020, 9.30am

Meeting via Teams

Present:

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

Apologies:

There were no apologies.

There in attendance:

Elaine Boyd, Associate Director, Audit Quality and Appointments
John Gilchrist, Manager, Audit Quality and Appointments
Owen Smith, Senior Manager, Audit Quality and Appointments
Gillian Woolman, Audit Director, Audit Services
Nel Cameron, Manager, Performance Audit and Best Value
Stuart Dennis, Corporate Finance Manager, Finance
Nicola Paton, Digital Project Manager, Digital Services
Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager
David Blattman, HR & OD Manager, Human Resources
Tracey Bray, Senior Business Partner (OD), Human Resources

1. Minutes of meeting on 21 April 2020

The draft minutes dated 21 April 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Quality of public audit in Scotland 2019/20

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

Elaine Boyd introduced the Quality of public audit in Scotland 2019/20, copies of which had been previously circulated.

Elaine invited Management Team to note the positive assurance provided by the quality processes during 2019/20, to comment on the draft reports and to approve the Quality of public audit in Scotland report 2019/20 and Supplementary report for presentation to the Audit Committee and Accounts Commission before submission to the Board for approval.

During detailed discussion, Management Team reflected on the comprehensive assurance reported, all supported by audit quality framework and evidenced by the external feedback on the development and improvement of audit quality reporting over the past three years.

Management Team discussed the areas for future development of reporting including ways to increase participation in the survey.

Following discussion, Management Team agreed a number of minor drafting and presentational points prior to submission and acknowledged the work by the team to deliver a comprehensive review on the quality of audit work.

3. New audit appointments - verbal update

Elaine Boyd advised the meeting of the New Audit Appointments Steering Group next meet on 11 May 2020 when they will consider an amended timescale for delivering the Code of Audit Practice. Management Team noted that letters to each of the Auditor General for Scotland and the Accounts Commission has been prepared seeking approval to extend the current audit appointments by one year in response to the disruption caused by COVID-19.

Management Team welcomed the update.

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

4. Internal interim report on mainstreaming equality

Gillian Woolman, Audit Director, Audit Services, joined the meeting.

Gillian Woolman introduced the Internal interim report on mainstreaming equality, copies of which had been previously circulated.

Gillian invited Management Team to consider the internal interim report and highlighted the progress made in mainstreaming equality and advised of the recent launch of an inquiry into equality and human rights on the impact of COVID-19.

Management Team welcomed the progress reported in the interim report and discussed the options to report more on the socio-economic inequality implications, the importance of incorporating equality impact assessments early in revisions to policy and processes in order to inform and sustain progress. Gillian advised of the proposed communication of the report with colleagues and Fraser McKinlay agreed he would welcome a discussion on communications of content with the Accounts Commission.

Following discussion, Management Team welcomed the progress reported and expressed their appreciation of the work of the Steering Group.

Action(s): Fraser McKinlay and Gillian Woolman to discuss the sharing of the findings within PABV and with the Accounts Commission. (May 2020)

Gillian Woolman left the meeting.

5. Review of ethical standard policy on application

Neil Cameron, Manager, Performance Audit and Best Value, joined the meeting.

Fiona Kordiak introduced the Review of ethical standard policy on application report, which had been previously circulated.

Fiona invited Management Team to consider the application of the policy prior to submission to the Board. Management Team agreed the policy reflected the standard correctly.

During detailed discussion, Management Team recognised the application policy had been updated and designed for normal steady state. Management Team noted the restrictions on secondments were more onerous on audit agencies. Turning to volunteering, Management Team noted that there were currently no applicable standards.

Following discussion, Management Team agreed minor amendments to the report prior to submission to the Board.

Neil Cameron left the meeting.

6. Q4 Financial performance report

Stuart Dennis, Corporate Finance Manager, joined the meeting.

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

Stuart invited Management Team to note the unaudited financial results to the year end prior to submission to the Audit Committee.

During detailed discussion, Management Team welcomed the clear report, noting the overall underspend of £128,000 and proposed allocation of the Management Contingency and agreed, subject to a change to the presentation of information, its submission to the Audit Committee.

Following discussion, Management Team welcomed the report and the work of the team in managing the budget during 2019/20.

7. Financial planning discussion

Stuart Dennis introduced the financial discussion paper, a copy of which had been previously circulated.

Stuart invited Management Team to consider the discussion areas including second instalment invoicing, future fees and funding strategy and medium term financial planning and how to take forward discussions.

During discussion, Management Team agreed they would welcome an early discussion on the financial position for 2020/21 together with the longer term financial implications and agreed regular updates would be scheduled to come to Management Team.

Following discussion, Stuart agreed to consider the timing for invoices and accompanying communication together with scheduling regular updates on the 2020/21 budget and the medium term financial plan.

Action(s): **Stuart Dennis to consider the timing and communication for issuing invoices and schedule regular updates for Management Team on the 2020/21 budget and medium term financial plan. (May 2020)**

Stuart Dennis left the meeting.

8. Information security management policy review

Nicola Paton, Digital Project Manager, Digital Services, joined the meeting.

Nicola Paton introduced the Information security management policy report, copies of which had been previously circulated.

Nicola invited Management Team to review and consider the update policy and subject to any amendments, approve it prior to submission to the Board for its consideration at its meeting on 13 May 2020.

During discussion, Management Team welcomed the ISO reaccreditation and considered the proposed amendments to the policy which strengthened Audit Scotland's approach to information management.

Following discussion, Management Team welcomed the updated policy and, subject to minor amendment, approved its submission to the Board, noting their appreciation of the work by the team.

Nicola Paton left the meeting.

9. 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.

Simon Ebbett invited Management Team to note the planning underway for supporting an extended period of working from home for colleagues, highlighted the forthcoming COVID-19 session with the Public Audit and Post Legislative Scrutiny Committee and the external communications framework for Audit Scotland.

Management Team welcomed the update and agreed early engagement with the Leadership Group on the discussions around external communication.

Martin Walker left the meeting.

10. Pulse surveys

Tracey Bray, Senior Business Partner (OD), Human Resources, joined the meeting.

Tracey Bray introduced the report Pulse surveys – who to engage with colleagues during COVID-19 and remote working.

Tracey invited Management Team to consider the proposals for regular engagement with colleagues using Slido and how the results will be shared and actioned.

During detailed discussion, Management Team considered the frequency of the surveys, sampling and the format for analysis.

Following discussion, Management Team welcomed the report and agreed a further discussion on the number and framing of questions, how these link with Best Companies and quality surveys and how the results are then shared with colleagues.

Action(s): A further report to be scheduled on the format and frequency of surveys, how this links with other surveys and communication thereof. (May 2020)

Tracey Bray left the meeting.

11. Remco: Draft agenda for meeting May 2020

David Blattman introduced the report on the proposed draft agenda for the forthcoming Remuneration and Human Resources Committee meeting in May 2020.

David invited Management Team to consider the draft agenda which included business deferred from the meeting which was cancelled on 24 March 2020.

During detailed discussion, Management Team considered the reports due to be considered in relation to the 2020 Pay Award offer for colleagues, the change in the PCS external officer and the potential impact on implementing the award for colleagues.

Following discussion, Management Team agreed the proposed deferral of business to later in the year and in light of the guidance received from the Scottish Government, Management Team agreed to recommend to Remco the implementation of the full pay award for colleagues in May 2020 payroll.

David Blattman left the meeting.

12. Draft Management Team agenda: 12 May 2020

Management Team noted the draft agenda for the meeting of Management Team on 12 May 2020.

13. Any other business

There was no further business.

14. Date of next meeting: 28 April 2020

The next meeting of Management Team will take place on 28 April 2020.

Minutes

Management Team



Tuesday 12 May 2020, 9.30am

Meeting via Teams

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Stephen Boyle
Lorna McEwan (Minutes)

Apologies:

There were no apologies.

There in attendance:

Anne Cairns, Manager, Performance Audit and Best Value
Angela Canning, Audit Director, Performance Audit and Best Value
Mark Roberts, Audit Director, Performance Audit and Best Value
Gemma Diamond, Audit Director, Performance Audit and Best Value
Antony Clark, Audit Director, Performance Audit and Best Value
Peter Worsdale, Audit Manager and International Liaison Manager, Performance Audit and Best Value
Simon Ebbett, Communications Manager
Martin Walker, Associate Director, Corporate Performance and Risk
David Blattman, HR & OD Manager, Human Resources
Rikki Young, Business Manager, Performance Audit and Best Value
Tracey Bray, Senior Business Partner (OD), Human Resources

1. Minutes of meeting on 28 April 2020

The draft minutes dated 28 April 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

Action(s): **Fraser McKinlay to email amendment to the minute to Lorna McEwan.
(May 2020) (actioned)**

2. Our counter fraud work - FK COMMENTS TO BE ADDED

Anne Cairns, Manager, Performance Audit and Best Value and Angela Canning, Audit Director, Performance Audit and Best Value, joined the meeting.

Angela Canning introduced the Counter fraud work report, copies of which were previously circulated.

Angela highlighted the risks contained within the Annual Fraud report and the National Fraud Initiative report. Anne Cairns reported that the Scottish Government had issued a variety of COVID-19 support packages, with a number of emerging risks. Management Team noted that the Cabinet Office was proposing changes to NFI datasets around targeting issues associated with COVID-19.

A discussion in respect of NFI fees and the proposed introduction of a penalty fee, applicable in instances where participants fail to comply with data submission requirements as determined by the Cabinet Office, took place. Management Team raised concern over the proposal to introduce a

penalty fee and agreed that further consideration would be given to this. A draft response to the consultation would be considered by Management Team, noting the tight deadline for responses by 25 May 2020.

Management Team welcomed the discussion.

Action(s): Management Team to consider a draft of the consultation response. (May 2020)

Angela Canning and Anne Cairns left the meeting.

3. 2019/20 International report

Peter Worsdale, Audit Manager and International Liaison Manager, Performance Audit and Best Value and Antony Clark, Assistant Director, Performance Audit and Best Value, joined the meeting

Peter Worsdale introduced the 2019/20 International report, copies of which had been previously circulated.

Management Team welcomed the report and suggested that the reference to future work be more explicit and a discussion followed.

Management Team approved the 2019/20 International Annual Report, subject to minor amendment, in advance of presentation to the Audit Scotland Board on 1 June 2020.

Antony Clark and Peter Worsdale left the meeting.

4. Communications Digest

Martin Walker, Associate Director, Corporate Services, Gemma Diamond, Mark Roberts and Simon Ebbett, Communications Manager, Corporate Services, joined the meeting.

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

Simon highlighted the key messages from the report, including the COVID-19 Bill and Management Team welcomed the update.

5. Hotlist of emerging audit risks

Gemma Diamond, Audit Director, Performance Audit and Best Value introduced the Hotlist of emerging audit risks, copies of which had been previously circulated.

Gemma informed Management Team of the revisions made to the length of the report and the strategic theme related to COVID-19.

A discussion followed on the input to the Public Audit Risk Register and Gemma agreed to undertake a thorough check to ensure that the current process was robust enough to gather information from all concerned.

Following discussion, it was agreed that the 'watch list' would be reinstated.

Management Team welcomed the discussion.

6. EU withdrawal

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

Mark informed Management Team that the Scottish Government would be in a position to reinstate resources to Brexit, accelerating over the coming months, following the outbreak of COVID-19. He also reported that the uncertainty around our two EU audits remained, over the longer term.

A discussion followed on capacity issues within the Scottish Government, due to the current situation, and Management Team acknowledged this.

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

Management Team agreed that a discussion on priorities should take place at this juncture of the meeting.

Fiona Kordiak highlighted the key areas for concern within ASG audits and it was agreed that a resourcing meeting would be arranged to agree a framework for establishing priorities and resourcing for all of our audit work and a report was scheduled to come to Management Team on 2 June. It was also agreed that Diane McGiffen would post an update on Yammer in this respect.

**Action(s): A report on resourcing and priorities to come to Management Team on 2 June 2020. (June 2020) (actioned)
Diane McGiffen to provide an update on Yammer. (May 2020) (actioned)**

7. Covid-19 verbal update

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

Martin Walker introduced the COVID-19 update and Management Team acknowledged that this item had been discharged during the update by Simon Ebbett, earlier in the meeting.

IMT would meet later today when support for working from home would be considered in greater detail.

Simon Ebbett and Martin Walker left the meeting.

8. 2019/2020 Annual Health, safety and wellbeing report

David Blattman, HR & OD Manager and Rikki Young, Business Manager, Performance Audit and Best Value, joined the meeting.

Due to time constraints, no introduction was given.

A discussion followed on the figures for 'stress in the workplace' and Stephen Boyle would pursue this with David Blattman at their next catch up.

Management Team noted that although the absence figures were good, there had been a steady increase since 2017/18 and it was agreed that colleagues would continue to be encouraged to undertake annual wellbeing checks which are offered by the organisation.

Management Team welcomed the discussion.

Rikki Young left the meeting.

9. Updated Pulse surveys report

Tracey Bray, Senior Business Partner (OD), Human Resources, joined the meeting.

Tracey Bray introduced the updated Pulse surveys report, copies of which had been previously circulated.

Management Team welcomed the proposal to undertake pulse surveys and discussion took place on the confidentiality and data security of the platform to be used, as well as exploring how to capture feedback in relation to colleagues' wellbeing.

Management Team agreed that the remainder of the discussion would be taken offline and that the survey should go live as soon as possible, with a further update coming to Management Team in due course.

Management Team welcomed the discussion.

Tracey Bray and David Blattman left the meeting.

10. Draft Management Team agenda: 19 May 2020

Management Team noted the draft agenda for the meeting of Management Team on 19 May 2020.

11. Any other business

There was no further business.

12. Date of next meeting: 19 May 2020

The next meeting of Management Team will take place on 19 May 2020.

Minutes

Management Team



Tuesday 19 May 2020, 9.30am

Meeting via Teams

Present:

Diane McGiffen (Chair)

Caroline Gardner

Fiona Kordiak

Fraser McKinlay

Stephen Boyle (in part)

Joy Webber (Minutes)

Apologies:

There were no apologies.

There in attendance:

Stuart Dennis, Corporate Finance Manager

Simon Ebbett, Communications Manager

Martin Walker, Associate Director, Corporate Performance and Risk

Gayle Fitzpatrick, Corporate Governance Manager

Ian Metcalfe, Corporate Governance Officer

1. Minutes of meeting on 12 May 2020

The draft minutes dated 12 May 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Draft Annual Report and Accounts – Year ended 31 March 2020

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

Stuart Dennis introduced the Draft Annual Report and Accounts – Year ended 31 March 2020 report, copies of which were previously circulated.

Stuart invited Management Team to discuss and approve the commentary and explanations in the attached report for the Board and Audit Committee meeting on 1 June 2020, subject to conclusion of the external audit by Alexander Sloan.

Management Team noted the Audit clearance meeting with Alexander Sloan was scheduled for Thursday 21 May and noted we await final confirmation of the pension costs which may not be available until the end of May 2020 for the financial statements.

Looking forward, Management Team reflected on the potential impact on costs due to Covid-19 in the current financial year across sectors, the effect of future pension liabilities and following discussion agreed the presentation of certain information prior to submission to the Audit Committee and Board.

Stuart Dennis and Simon Ebbett left the meeting.

3. Q4 Corporate performance report

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

Martin Walker introduced the Q4 Corporate performance report, copies of which had been previously circulated.

Martin invited Management Team to consider the performance in quarter four, review the overall performance in 2019/20 and whether any additional management action is required.

Management Team considered the report and sought clarification on the reported audits reported to plan on page 2 of the cover report. Martin advised he would update prior to issue to the Board and would capture other minor suggested amendments including some of the specific areas relating to Covid-19. Fraser McKinlay welcomed the information relating to the cost of audit day for PABV.

Following discussion, Management Team welcomed the performance reported and agreed the report, subject to amendments, be submitted to the Board on 1 June 2020.

4. Q4 Strategic improvement programme report

Martin Walker introduced the Q4 Strategic improvement programme report, copies of which were previously circulated.

Management Team were invited to note the Q4 update, next steps and milestones for the existing programme and also the areas of focus and guiding principles for the developing an updated programme.

During detailed discussion, Management Team recognised the range of developments and progress made to end March 2020 and agreed it would be helpful to signpost that the forward look will be impacted by Covid-19 and that work on reprioritisation will take place over the coming weeks.

Following discussion, Management Team welcomed the performance reported.

5. Review of risk register

Stephen Boyle joined the meeting.

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

Martin invited Management Team review and comment on the revised risk register, and to agree, subject to any required amendments, that it be submitted to the Audit Committee on 1 June 2020.

During discussion, Management Team considered the risks in relation to the impact of Covid-19 and the importance of supporting colleagues as we move safely out of lockdown. Management Team discussed the merits of merging the risks A2 and A3, the ability of Audit Scotland to deliver the audits and that of the audited bodies ability to meet the deadlines over the summer are linked and following discussion Management Team agreed these be merged.

Management Team considered the two risks relating to EU withdrawal and the ongoing monitoring of those risks.

Following discussion, Management Team welcomed the report.

6. Governance statement and certificate of assurance 2019/20.

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

Gayle Fitzpatrick introduced the Governance statement and certificate of assurance 2019/20 report, copies of which had been previously circulated.

Management Team considered the certificates of assurance to assess whether there were any issues which should be drawn to the attention of the Audit Committee or the Audit Scotland Board at their meetings on 1 June 2020 on the Annual Accounts and governance statements. Management Team was also invited to recommend that the Chief Operating Officer submit the report to the Audit Committee and Board as part of the annual assurance process.

Management Team considered the statement and certificate of assurance provided and following a short discussion recommended the Chief Operating Officer submit this to the Audit Committee and Board for approval.

Ian Metcalfe left the meeting.

7. Covid-19 verbal update - Business support services credit card

Simon Ebbett, Communications Manager and David Blattman, HR & OD Manager, Human Resources, joined the meeting with Martin Walker.

Martin Walker introduced the Business support services credit card report, copies of which had been previously circulated.

Martin invited Management Team to approve the credit card limit for BSS increase from £1,000 to £5,000 to support the need for home working equipment for colleagues and to note that the ongoing need for this increased limit will be reviewed on a monthly basis. Management Team noted the requests received to date and the appreciation of colleagues for the support provided.

Following discussion, Management Team approved the increased limit of £5,000.

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

8. Draft Audit Committee agenda: 1 June 2020

Gayle Fitzpatrick invited Management Team to note the proposed agenda for the meeting of the Audit Committee on 1 June 2020.

Management Team welcomed the focus on the annual reporting and assurance to be reported.

9. Draft Board agenda: 1 June 2020

Management Team noted the draft agenda for the meeting of the Board on 1 June 2020.

10. Draft Management Team agenda: 2 June 2020

Management Team noted the draft agenda for the meeting of Management Team on 2 June 2020.

11. Any other business

There was no further business.

12. Date of next meeting: 19 May 2020

The next meeting of Management Team will take place on 2 June 2020.

Minutes

Management Team



Tuesday 2 June 2020, 10am

Meeting via Teams

Present:

Diane McGiffen (Chair)
Caroline Gardner (from 10.25am)
Fiona Kordiak
Fraser McKinlay
Stephen Boyle
Lorna McEwan (Minutes)

Apologies:

There were no apologies.

There in attendance:

David Blattman, HR & OD Manager, Corporate Services
Simon Ebbett, Communications Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Claire Sweeney, Audit Director, Performance Audit and Best Value
Brian Howarth, Audit Director, Audit Services
Antony Clark, Audit Director, Performance Audit and Best Value
Rikki Clark, Business Manager, Performance Audit and Best Value

1. Minutes of meeting on 19 May 2020

The draft minutes dated 19 May 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Covid-19 verbal update

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

David Blattman began the discussion on the Covid-19 update.

David referenced the recent report circulated to Management Team in respect of staff sickness figures for May 2020. Martin Walker reported the data would be explored further at the next meeting of IMT and a lessons learned discussion would feature at a Management Team meeting over the next two weeks.

David further reported that he would meet with Gavin Byers tomorrow to establish options and a timeline to support colleagues with a range of choices in respect of sharing information and staying connected within the organisation.

Simon Ebbett referenced that the twice weekly meetings of IMT would be reduced to one meeting per week (Thursday) will immediate effect.

Management Team welcomed the update.

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

3. Open Government update

Claire Sweeney, Audit Director, Performance Audit and Best Value, joined the meeting.

Claire Sweeney introduced the Open Government update report, copies of which had been previously circulated.

Claire highlighted the key messages from the presentation and progress made to date.

Management Team noted that feedback from the Scottish Government had been very positive and that our work in respect of Community Empowerment had been well received.

Management Team welcomed the discussion and Fraser McKinlay agreed to take this forward with Gemma Diamond and Mark Roberts as a consequence of Claire's imminent departure from the organisation and recorded their thanks for her work and contribution to Audit Scotland and wished her every success for the future.

Action(s): Fraser McKinlay to liaise with Gemma Diamond / Mark Roberts to progress Open Government. (June 2020)

Claire Sweeney left the meeting.

4. Resourcing and priorities update

Brian Howarth, Audit Director, Audit Services, Antony Clark, Audit Director, Performance Audit and Best Value and Rikki Clark, Business Manager, Performance Audit and Best Value, joined the meeting.

Brian Howarth introduced the item on Resourcing and priorities, copies of which had been previously circulated.

Brian highlighted the structural shortfall of 1000 days which was typically addressed through agency staff and the shortfall of 600 days in additional hours and a discussion followed. Management Team acknowledged the differing reasons for the drop in productivity and stressed that the safety and wellbeing of colleagues would continue to come first.

A discussion followed on engagement with audited bodies and it was agreed that audit deadlines may be pushed back as a consequence of Covid-19. Management Team agreed they would welcome a further discussion on scenario planning for capacity and demand.

It was agreed that resourcing would continue to be shared across business groups to support financial audit and that a communication would be issued to colleagues, stakeholders and public bodies to further explain the principles-based approach adopted by Audit Scotland.

Management Team expressed its gratitude to the team for the update and welcomed the discussion.

Action(s): A communication to be drafted to further explain our principles-based approach and shared with colleagues, stakeholders and public bodies. (June 2020)

A further report to come to Management Team on scenario planning for capacity and demand. (July 2020)

Brian Howarth, Antony Clark and Rikki Clark left the meeting.

5. Draft Management Team agenda: 9 June 2020

Management Team noted the draft agenda for the meeting of Management Team on 9 June 2020, subject to minor amendment.

6. Any other business

There was no further business.

7. Date of next meeting: 9 June 2020

The next meeting of Management Team will take place on 9 June 2020.

Minutes

Management Team



Tuesday 9 June 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

There in attendance:

David Blattman, HR & OD Manager, Corporate Services
Simon Ebbett, Communications Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Tracey Bray, OD Manager, Human Resources

1. Minutes of meeting on 2 June 2020

The draft minutes dated 2 June 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment including an additional action on Resources and priorities.

Fraser McKinlay advised of work underway on the document supporting Caroline Gardner's appearance at the Public Audit and Post Legislative Scrutiny Committee (PAPLS) session on Thursday 25 June 2020 alongside communication to colleagues.

Stephen Boyle advised the briefing for the PAPLS session on 25 June 2020 is due to be considered by Management Team and following discussion Management Team agreed to consider this by correspondence.

**Action(s): Management Team to consider the PAPLS briefing by correspondence.
(w/c 15 June 2020)**

2. Covid-19 verbal update

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

Martin Walker opened the discussion on the Covid-19 update. Martin referred Management Team to the updated external summary document which highlighted the delay to schools in England reopening and the indications from the First Minister of the acceleration of some lockdown measures lifting which are unlikely to have much impact on working conditions.

Fraser highlighted the extension for individuals who are shielding and noted this applied not only to colleagues but also those they care for. David Blattman advised we do not have data held centrally in terms of those affected but highlighted the Carers Group is meeting again this week. Management Team also considered the complexity for carers of children with schools reopening in Scotland in

August 2020, including the absence of any pre and post school childcare arrangements previously relied on. Management Team agreed the communication to colleagues would invite those either shielding or caring for someone who is shielding to contact their line managers if they require additional support and recognition of the continuing uncertainty and complexity for caring of children.

David Blattman advised there was little change in staff sickness figures being reported and one more volunteer had registered. David invited Management Team to note the draft communication received from the PCS union around arrangements for returning to work. David advised he and Martin will liaise on this.

Following discussion, Management Team welcomed the discussion.

Martin Walker and Simon Ebbett left the meeting.

3. Pulse survey recommendations update

Tracey Bray, OD Manager, Human Resources, joined the meeting.

Diane McGiffen invited Management Team to note the refinements to the proposed survey questions and platform proposed. Tracey Bray advised Management Team of engagement and support from Jim Cumming, PCS Union Branch Executive.

Following discussion, Management Team welcomed the update and Diane advised she would liaise with Tracey on the communication of the pulse survey to go to colleagues this week.

Tracey Bray left the meeting.

4. Draft Management Team agenda: 23 June 2020

Management Team noted the draft agenda for the meeting of Management Team on 23 June 2020, noting the time and date of the meeting may change to accommodate a meeting with the Scottish Commission for Public Audit on Audit Scotland's 2019/20 Annual report and accounts.

5. Any other business

Fraser McKinlay provided an update on his team.

6. Date of next meeting: 9 June 2020

The next meeting of Management Team will take place on 9 June 2020.

Minutes

Management Team



Tuesday 23 June 2020, 9.30am
TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

There in attendance:

David Blattman, HR & OD Manager, Corporate Services
Simon Ebbett, Communications Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Owen Smith, Senior Manager, Audit Quality and Appointments

1. Minutes of meeting on 2 June 2020

The draft minutes dated 2 June 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

2. Covid-19 verbal update

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

Martin Walker opened the discussion on the Covid-19 update and invited Management Team to consider the updated information on the Scottish Economic working group, reported Covid-19 cases and future announcements expected from the Prime Minister, First Minister and John Swinney on schools and relaxation of lockdown measures expected during the week.

Management Team discussed Audit Scotland outputs in relation to the impact of Covid-19 on fiscal arrangements, additional funding and possible reporting and outputs in the coming weeks.

Caroline Gardner advised of the Public Audit and Post Legislative Scrutiny Committee meeting on 25 June and summarised the briefing she would be providing.

Fiona Kordiak provided a summary of discussions on work priorities and audits likely to be signed off, providing assurance that audit work is proceeding.

Fraser McKinlay advised that the Cluster groups have been reviewing audit work in light of the work programme refresh, considering the use of blogs and how to use back catalogue of reporting to deliver different outputs.

Following discussion, Management Team reflected on potential future Covid-19 publications in terms of the work programme and alternative outputs, the importance of continued support for all

colleagues with home schooling and caring responsibilities and recognised the need to share a route map for a return to the office or audit site which will likely only come into effect in Phase 4 of the Scottish Government's response to the pandemic.

Management Team welcomed the discussion.

Martin Walker and Simon Ebbett left the meeting.

3. Audit appointment changes in ASG 2019/20

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

Owen Smith introduced the Audit appointment changes in ASG 2019/20 report, copies of which had been previously circulated.

Management Team were invited to consider and approve AQA's proposals for audit appointments for the Scottish Consolidated Fund, Non-Domestic Rate Account, Scottish Police Authority, Registers of Scotland, and Royal Botanic Gardens.

Management Team discussed the proposals and recognised the consistency these provided with and agreed a review in the Autumn for any future years.

Following discussion, Management Team approved the proposed audit appointment changes in ASG for 2019/20.

Owen Smith left the meeting.

4. Draft Management Team agenda: 30 June 2020

Management Team noted the draft agenda for the meeting of Management Team on 30 June 2020.

5. Any other business

Management Team recorded their personal thanks and appreciation for Caroline Gardner's support and contribution to Management Team and Audit Scotland over the past 8 years in her capacity as Auditor General for Scotland and Accountable Officer in leading the organisation to deliver world class audit.

6. Date of next meeting: 30 June 2020

The next meeting of Management Team will take place on 30 June 2020.

Minutes



Management Team

Tuesday 30 June 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

Caroline Gardner

There in attendance:

Stuart Dennis, Corporate Finance Manager
David Blattman, HR & OD Manager, Corporate Services
Simon Ebbett, Communications Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Tracey Bray, Senior Business Partner, HR & OD
Susan Burgess, Assistant HR Manager, Human Resources
Owen Smith, Senior Manager, Audit Quality and Appointments
John Gilchrist, Manager, Audit Quality and Appointments

1. Minutes of meeting on 23 June 2020

The draft minutes dated 23 June 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

Pg 2 return to office – future of office working.

Item 3 clarification – recommending the audit appt changes to AGS.

2. 2021/22 Budget assumptions and timetable

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2021/21 Budget assumptions and timetable report, copies of which were previously circulated.

Stuart invited Management Team to consider the budget assumptions in relation to New Financial Powers, pay award, increased Management Contingency budget, pension valuation rates and the impact of McLeod on pensionable past service.

Management Team recognised the uncertainties and challenges to the budget this year as a result of Covid-19 and following detailed discussion approved the initial assumptions to further develop the budget.

Following discussion, Stuart advised a further budget report would come to Management Team in early August 2021.

Action(s): **Stuart Dennis to bring a draft Board report to Management Team. (August 2020)**

Stuart Dennis left the meeting.

3. Covid-19 verbal update

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

Martin Walker opened the discussion on the Covid-19 update, drawing attention to the latest UK and Scottish announcements, highlighting that the number of deaths in Scotland from Covid-19 was reported as zero and reflecting on the response to developments in Leicester.

David Blattman advised there are no Covid-19 reported cases amongst colleagues and the HR team are reviewing levels of sickness and annual leave across the business groups, a further update which would be brought back to IMT in early course. Management Team noted that the workplace assessment for colleagues was scheduled to be launched next Monday.

Management Team noted further Parliamentary announcements are due on Thursday, which would inform discussions at IMT.

Management Team agreed key areas to include in the communication following the scheduled IMT meeting on Thursday.

Following discussion, Management Team welcomed the updates.

Martin Walker and Simon Ebbett left the meeting.

4. Pulse survey update

Tracey Bray, Senior Business Partner, HR & OD, joined the meeting.

Tracey Bray referred to the latest Pulse survey results and highlighted key messages arising from colleagues.

Management Team reflected on the communication with colleagues across the business groups around the importance of delivering quality of audit, recognising the balance of pace while maintaining wellbeing and encouraged colleagues take annual leave where possible.

During detailed discussion, Management Team considered additional questions to be explored in future surveys to understand how colleagues feel about continued working from home or any return to office working.

Following discussion, Management Team agreed that additional Covid-19 related work should be monitored to ensure consistent treatment between different auditors and different public sector bodies. MT would welcome early sight of data emerging from health audits.

Action(s): **Tracey Bray to liaise on additional questions to be included in future surveys. (July 2020)**

Tracey Bray left the meeting.

5. Gender pay gap report

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

Susan Burgess introduced the Gender pay gap report, copies of which were previously circulated.

Susan invited Management Team to consider the information provided, highlighting the positive figures reported and sought approval to publish the report, subject to any comments and final review by the Communications team.

Management Team discussed the report, noting the overall positive trend but sought further clarification around the analysis of the gap and the scale of how quickly we could achieve our overall ambition to eliminate the gender pay gap. Management Team noted that while the gap is as a result of legacy structural issues our overall robust approach to attracting people to the organisation including equality impact assessments of policies on recruitment, job evaluation and equal pay.

Following detailed discussion, Management Team welcomed the report and agreed a number of amendments. David Blattman agreed to undertake some research and modelling on eliminating the gap and would return to Management Team later in the year.

Action(s): **David Blattman to undertake additional modelling on eliminating the gender pay gap and return to Management Team later in the year. (Date TBC)**

6. 2019/20 Annual diversity report

Susan Burgess introduced the 2019/20 Annual diversity report, copies of which had been previously circulated.

Management Team were invited to note and comment upon this report prior to external publication and subsequent discussion with the People Focus Group, Partnership Forum and Remco in September 2020.

During detailed discussion, Management Team considered the analysis on ethnicity and sought clarification on recorded disabilities. Susan Burgess advised there was less information on disabilities which was subject to recording and Management Team welcomed the ongoing engagement with internal groups.

Management Team agreed a number of amendments to include support for BLM and focus on future objectives. Fraser McKinlay agreed to review updated version prior to publication.

Following discussion, Management Team welcomed the report.

Action(s): **Susan Burgess to provide an updated version for review by Fraser McKinlay prior to publication. (July 2020)**

David Blattman and Susan Burgess left the meeting.

7. Funding Covid-19 fee increases

Owen Smith, Senior Manager, Audit Quality and Appointments and John Gilchrist, Manager, Audit Quality and Appointments, joined the meeting and Stuart Dennis re-joined the meeting.

Owen Smith introduced the Funding Covid-19 fee increases report, copies of which had been previously circulated.

Owen invited Management Team to consider the options set out in dealing with additional work as a result of Covid-19 matters.

During detailed discussion, Management Team considered whether we have sufficient information at this time to gauge how much of an issue this may be and noted feedback to date from auditors has been mixed.

Management Team acknowledged that the audit year started later as a result of the pandemic and that audit work is taking longer to undertake as a result of auditors and bodies working remotely however the usual audit risks remain together with the additional risks as a result of Covid-19. Management Team agreed that the audit should be managed as part of the existing fee arrangements which, under the current arrangements, has flexibility to agree additional fees where this is required.

Stuart Dennis advised of ongoing discussions with budget holders and Management Team noted work in progress will continue to be monitored throughout the year.

Owen Smith advised of ongoing discussions with the audit firms on recording any specific Covid-19 related increases which may form part of any final fee claims over the next 6 months.

Following discussion, Management Team agreed Audit Scotland's position is that auditors manage additional Covid-19 related work within the current fee arrangements and would welcome early sight of data emerging from health audits as soon as possible.

8. Electronic signatures for accounts

John Gilchrist introduced the Electronic signatures for accounts report, copies of which had been previously circulated.

John invited Management Team to approve the proposal to adopt DocuSign as the preferred method of signing accounts to be made available for 19/20 accounts, agree that the Audit Quality and Appointments team oversee the management of DocuSign with support from Business Support Services and agree the budget to meet the annual costs of the system.

Management Team welcomed the early positive feedback received from colleagues working remotely using DocuSign and following discussion agreed with the proposals set out. John agreed he would liaise with Stuart Dennis, Corporate Finance Manager, on budget and engage with corporate services teams to use DocuSign.

Action(s): John Gilchrist to liaise with Stuart Dennis to fund the annual costs of the system. (July 2020)

John Gilchrist to liaise with corporate services teams on the use of DocuSign. (July 2020)

Owen Smith and John Gilchrist left the meeting.

9. Draft Management Team agenda: 21 July 2020

Management Team noted the draft agenda for the meeting of Management Team on 21 July 2020.

10. Any other business

Diane McGiffen advised that the meeting of the UK and Ireland Chief Operating Officers was scheduled for Thursday 2 July 2020 with Antony Clark and Martin Walker joining for the discussion on respective agencies' responses to Covid-19.

Diane McGiffen provided an update of new member appointments as advised by the SCPA.

11. Date of next meeting: 21 July 2020

The next meeting of Management Team will take place on 21 July 2020.

Minutes

Management Team

Tuesday 21 July 2020, 9.30am
TEAMS Meeting



Present:

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

Apologies:

Fraser McKinlay.

There in attendance:

Angela Canning, Audit Director, Performance Audit and Best Value
David Blattman, HR & OD Manager, Corporate Services
Simon Ebbett, Communications Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Sharon Kewley, Business Support Manager, Corporate Services
Elaine Boyd, Associate Director, Audit Quality and Appointments
Owen Smith, Senior Manager, Audit Quality and Appointments
John Gilchrist, Manager, Audit Quality and Appointments
Derek Hoy, Audit Manager, Performance Audit and Best Value
Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting on 30 June 2020

The draft minutes dated 30 June 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Covid-19 verbal update

Angela Canning, Audit Director, Performance Audit & Best Value, David Blattman, HR & OD Manager, Simon Ebbett, Communications Manager, Sharon Kewley, Business Support Manager and Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.

Martin Walker opened the discussion on the Covid-19 update, drawing attention to the recent outbreak at the Sitel site, North Lanarkshire and the degree of optimism surrounding developments of the Covid-19 vaccine.

Management Team welcomed the update.

3. Equality impact assessment: Covid-19 - working from home

Martin Walker introduced the Equality impact assessment: Covid-19 - working from home report, copies of which had been previously circulated.

Martin highlighted the 3 main areas for action, all of which had featured in IMT discussions – measures to alleviate workload pressure, challenges to well-being and obstacles to working from home.

Management Team welcomed the discussion and acknowledged the work done to date by the EHRSG.

Following discussion, it was agreed that as the equality impact assessment was a very fast moving area, it would be updated before publishing on the Audit Scotland website, with the date of publication being confirmed in due course. Fiona would email comments to the group, prior to going on leave.

Action: **Fiona Kordiak to email comments to Martin Walker and Gillian Woolman on equality impact assessment, prior to going on leave. (by 24 July 2020 - actioned)**

4. BDO Internal audit report: Covid-19 business continuity

Martin Walker introduced the BDO Internal audit report: Covid-19 business continuity report, copies of which had been previously circulated.

Management Team welcomed the assurances provided by the BDO Internal audit report.

5. Covid- 19 Secure workplaces

Sharon Kewley introduced the Covid-19 Secure workplaces report, copies of which had been previously circulated.

Sharon highlighted the proposal for a 3 stage change to our office provision, with stage 4 comprising of the 4 phase Scottish Government route map.

Management Team considered a range of issues including an update on Audit Scotland's offices, colleagues wellbeing and the provision of digital and practical support for colleagues working from home. Following discussion, it was agreed that an internal communication would be shared with colleagues reflecting on the latest Scottish Government guidance which encouraged the continuation of working from home in support of the public effort to suppress the transmission of Covid-19.

Management Team agreed a further update would be scheduled to understand the practical arrangements for the reopening of offices in due course which would be based on the principles of staying safe, planning together and taking care of colleagues.

Management Team acknowledged the work already undertaken by the group and it was agreed that a representative from Audit Services and Performance Audit and Best Value would be sought to join the group.

Actions: **A further update would be considered by Management Team at a later to be confirmed.**

Commented [DM1]: give an owner to the action - date to be confirmed - Perhaps a sentence that ongoing updates will also be provided to IMT

6. Covid-19 Site visits and on-site work

Martin Walker introduced the Covid-19 Site visits and on-site work, copies of which had been previously circulated.

Martin reported that the option for our staff to work at client sites remained unchanged and that colleagues would not be expected to do this for the foreseeable future.

It was agreed that this would be discussed further at the next Audit Partners' meeting on 17 August 2020.

Action: **Agenda item to be added to Audit Partners' meeting – feedback from firms on clients returning to offices. (August 2020)**

Angela Canning, Martin Walker, Simon Ebbett, David Blattman and Sharon Kewley left the meeting.

7. Stakeholder feedback options 2020

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 Stakeholder feedback option 2020, copies of which were previously circulated.

A discussion followed on the forthcoming stakeholder survey and options were considered.

It was agreed that Elaine would liaise with Mark Diffley before a final decision was reached as to whether the survey should be conducted in-house or externally.

This would be considered again at a future meeting of Management Team, when the proposed questions would be made available along with the recommendation to conduct the survey internally or externally.

Action: AQA to return to a future meeting of Management Team with proposal for finalisation of the stakeholder survey.
(September/October, 2020)

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

8. Consultation on Policy Proposal for Section 9 Review of Decisions - Islands (Scotland) Act 2018

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

Derek introduced the consultation proposal, copies of which had previously been distributed.

A discussion followed and Management Team reflected on the key issue of independence and doing our utmost to retain this. Management Team noted that the deadline had already passed for responses and that the Scottish Government had been advised that we would submit a late response.

Following comments from Management Team, Derek would update the AS response and circulate to Management Team before submission.

Management Team welcomed the discussion.

Action: Derek Hoy to revise submission, share with Management Team and submit to Scottish Government. (by 24 July – actioned)

9. Draft Accounts Commission agenda: 13 August 2020

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

Paul Reilly introduced the Draft Accounts Commission agenda: 13 August 2020, copies of which had been previously circulated.

Management Team noted the agenda of 13 August 2020 and a discussion followed on the proposal to hold 2 meetings of the Accounts Commission per month, until the end of the year.

It was agreed that the Leadership Group meeting of 12 August 2020 would be brought forward to the morning to accommodate the Accounts Commission Strategy Seminar taking place that day.

Management Team welcomed the discussion.

Paul Reilly left the meeting.

10. Draft Leadership Group agenda: 12 August 2020

Management Team noted the draft agenda for the meeting of Leadership Group on 12 August 2020.

11. Audit Partners meeting: 17 August 2010 – discussion

Management Team agreed that the meeting would commence with an update from the AGS on the forward work programme before commencing on a roundtable discussion on working practices / online and remote auditing.

12. Draft Board agenda: 19 August 2020

Management Team noted the draft agenda for the meeting of the Board on 19 August 2020.

13. Draft Management Team agenda: 11 August 2020

Management Team noted the draft agenda for the meeting of Management Team on 11 August 2020 and specified a preference for the Hotlist and Statutory report log to be considered as 2 separate items.

14. Any other business

There was no other business for discussion.

15. Date of next meeting: 11 August 2020

The next meeting of Management Team will take place on 11 August 2020.

Minutes



Management Team

Tuesday 11 August 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

Fraser McKinlay.

There in attendance:

Stuart Dennis, Corporate Finance Manager
Simon Ebbett, Communications Manager
Gemma Diamond, Audit Director, Performance Audit and Best Value
Mark Roberts, Audit Director, Performance Audit and Best Value
Martin Walker, Associate Director, Corporate Performance and Risk
David Blattman, HR & OD Manager, Corporate Services
Antony Clark, Audit Director, Performance Audit and Best Value
Brian Howarth, Audit Director, Audit Services
Rikki Young, Business Manager, Performance Audit and Best Value
Ian Metcalfe, Corporate Performance Officer
Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting on 21 July 2020

The draft minutes dated 21 July 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Q1 Financial performance report

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the Q1 Financial performance report, which had been previously circulated.

Stuart invited Management Team to consider the financial results for the three months to 30 June 2020 reported.

During detailed discussion, Management Team noted the impact of Covid-19 at an administrative level, which would be considered by the Board at its meeting on 19 August 2020. Management Team welcomed engagement with the Scottish Parliament regarding the potential for a Spring budget revision and development of Audit Scotland's 2021/22 budget recognising the impact of Covid-19 was likely to be a multi year budget issue.

Following discussion, Management Team welcomed the report and agreed a further discussion on funding model options would be scheduled.

Stuart Dennis left the meeting.

3. Communications Digest

Simon Ebbett, Communications Manager, Corporate Services, Gemma Diamond and Mark Roberts, Audit Directors, Performance Audit and Best Value joined the meeting.

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

Simon highlighted the key messages from the report and Management Team noted the recent coverage of the Scottish Qualifications Authority, ongoing correspondence and the forthcoming Public Audit and Post Legislative Scrutiny Committee session for the new Auditor General for Scotland.

Following discussion, Management Team welcomed the report.

4. Hotlist of audit risks and issues

Mark Roberts introduced the Hotlist of audit risks and issues report, copies of which had been previously circulated.

Mark invited Management Team to consider the updated content and format of the report and invited any comments on the emerging audit risks in public bodies.

Management Team welcomed the continuing evolution of the report and considered the key risks including potential section 22 and section 102 reports, governance and financial issues.

Following discussion, Management Team welcomed the report.

Gemma Diamond and Mark Roberts left the meeting.

5. Covid-19 update

Martin Walker, Associate Director, Corporate Performance and Risk, David Blattman, HR & OD Manager and Antony Clark, Audit Director, Performance Audit and Best Value, joined the meeting.

Martin Walker introduced the regular update including the external summary document and highlighted the statements expected from Scottish Parliament later today.

Simon Ebbett highlighted the establishment of the new Covid-19 communications hub which would hold key information and support resources for colleagues.

Martin invited Management Team to consider the draft Covid-19 update report prepared for the additional meeting of the Board on 19 August 2020 and welcomed any comments.

Management Team agreed to consider this report alongside the Resourcing update report appearing at item 6 of today's agenda.

During discussion, Management Team welcomed the draft Board report, acknowledging the Board's interest in the organisation's effectiveness in responding to the impact of Covid-19 for Audit Scotland.

Following discussion Management Team agreed a number amendments to the Board report including feedback from the regular Pulse surveys which reflected the span of experience of remote working for colleagues, recognising the delivery of work achieved to date while recognising the challenges of remote working and auditing.

Management Team welcomed the report and subject to amendment, approved its submission to the Board.

6. Resourcing update

Brian Howarth, Audit Director, Audit Services, and Rikki Young, Business Manager, Performance Audit and Best Value, joined the meeting.

Antony Clark and Brian Howarth introduced the Resourcing update report, copies of which had been previously circulated.

Antony and Brian invited Management Team to consider the update on the current position across Audit Scotland on resourcing and delivering annual audit work, the PABV work programme and key Covid-19 audit and development work.

During detailed discussion, Management Team welcomed the progress reported on the delivery of financial audits to date and considered the ongoing resourcing implications to deliver to extended audit deadlines and late audits, the short-term 2020/2021 performance audit programme as well as potential budget implications.

Management Team acknowledged the delay to the start of planning for 2020/21 audits and welcomed consideration of options to mitigate the impact of this in the medium term, noting the work programme refresh is underway and BVAR audits will be staggered over 2021 into the additional year of the audit appointments in 2022.

Following discussion, Management Team recorded their thanks to the resourcing team and welcomed the report before agreeing a number of areas to be included in the Board update report considered at item 5 of today's agenda.

Simon Ebbett, David Blattman, Brian Howarth and Rikki Young left the meeting.

7. Internal audit reports

Ian Metcalfe, Corporate Performance Officer, joined the meeting.

PABV adoption of INTOSAI standards

Martin Walker introduced the Internal audit report on PABV adoption of INTOSAI standards, copies of which had been previously circulated.

Martin invited Management Team to note the substantial assurance received on PABV's adoption of INTOSAI standards.

Management Team welcomed the assurance received and recorded their appreciation to the team.

Antony Clark left the meeting.

Internal audit progress report

Martin Walker introduced BDO's Internal audit progress report, copies of which had been previously circulated.

Management Team were invited to note BDO's report on progress of the internal audit programme for 2020/21.

Management Team welcomed the progress reported and considered the forward programme of internal audit reporting, including anticipated risks in relation to procurement,

Following discussion, Management Team welcomed the progress reported.

Internal audit recommendations progress report

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

Ian invited Management Team to note all five recommendations reported were in progress although this had been delayed due to the impact of Covid-19.

Management Team welcomed the progress reported.

8. Procurement

Internal audit

Ian Metcalfe introduced the Procurement of Internal audit report, copies of which had been previously distributed.

Ian invited Management Team to consider the risks and benefits of the options identified and sought approval to extend the existing contract to provide internal audit services for a further year, until 31 March 2022.

Management Team discussed the uncertainty and potential risks of undertaking such a procurement exercise in the current climate and following discussion agreed to liaise with the chair of the Audit Committee in this respect.

Legal framework agreement

Ian Metcalfe introduced the Legal framework agreement report, copies of which had been previously distributed.

Management Team were invited to consider the risks and benefits of the options identified and to comment on the recommendation to adopt the option to extend the current legal framework contract to provide services for a further year, until 31 March 2022.

Management Team considered the options proposed and following discussion around the risk of undertaking procurement at this time agreed to liaise with the chair of the Audit Committee in this respect.

Martin Walker and Ian Metcalfe left the meeting.

9. Draft Accounts Commission Committee agendas: 27 August 2020

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

Paul Reilly introduced the Draft Accounts Commission Committee agendas: 27 August 2020, copies of which had been previously circulated.

Paul invited Management Team to note the proposed agendas for the forthcoming meetings of the Accounts Commission Committees.

During discussion, Management Team noted the process being adopted to deal with business during current lockdown restrictions and highlighted the need to be aware of potential impact on resources. Paul advised Management Team that some business matters were being dealt with outside formal Commission meetings via correspondence and provided assurance on the current process to manage this.

Following discussion, Management Team welcomed the report.

Paul Reilly left the meeting.

10. Draft Audit Committee agenda: 2 September 2020

Management Team noted the draft agenda for the meeting of the Audit Committee on 2 September 2020.

11. Draft Remuneration and Human Resources Committee agenda: 2 September 2020

Diane McGiffen introduced the draft agenda for the forthcoming meeting of the Remuneration and Human Resources Committee meeting on 2 September 2020.

Management Team noted the proposed agenda.

12. Draft Management Team agenda: 18 August 2020

Management Team noted the draft agenda for the meeting of Management Team on 18 August 2020.

13. Any other business

There was no other business for discussion.

14. Date of next meeting: 18 August 2020

The next meeting of Management Team will take place on 18 August 2020.

Minutes



Management Team

Tuesday 18 August 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

There in attendance:

Gayle Fitzpatrick, Corporate Governance Manager
David Blattman, HR & OD Manager, Corporate Services
David Robertson, Digital Services Manager

1. Minutes of meeting on 11 August 2020

The draft minutes dated 11 August 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Covid-19 updates

Gayle Fitzpatrick, Corporate Governance Manager, and David Blattman, HR & OD Manager, joined the meeting.

David Blattman opened the discussion on the Covid-19 update, informing Management Team that a working group had been established to take forward discussions around access to safe work environments. Management Team agreed a vigorous approach requires to be applied and documented with access to offices agreed for exceptional purposes. For colleagues wishing to meet outwith working hours, Management Team reinforced the guidance from the Scottish Government.

A discussion followed on the challenges facing trainees and our school leavers whilst working from home and it was agreed a working group would be established to exchange experiences and good practice with the firms and other audit agencies. Diane McGiffen agreed to send an introductory email to the firms and other audit agencies to open up initial engagement in this respect. Management Team noted that the 10-year review of our trainee provider had been delayed but would be finalised by the end of the year. It was noted that Stephanie Harold would progress both actions and the outcome would be considered at a future Management Team meeting.

Management Team welcomed the discussion.

Action(s): Diane McGiffen to email firms to open initial engagement around the trainee experience (August 2020).

Stephanie Harold to bring an update on the review of trainee provider and working group. (Date tbc)

David Blattman left the meeting.

3. Review of risk register

Gayle Fitzpatrick introduced the Review of risk register report, copies of which had been previously circulated.

Gayle highlighted the key messages from the risk register, most of which remained dominated by the effect of the COVID-19 pandemic.

Gayle invited Management Team to review and comment on the revised risk register and, subject to any amendments, agree its submission to the Audit Committee for consideration at its meeting on 2 September 2020.

During discussion, Management Team suggested modifications to the report and these would be incorporated prior to submission for consideration by the Audit Committee on 2 September 2020.

Management Team welcomed the discussion.

4. Risk interrogation: Digital security

David Robertson, Digital Services Manager, joined the meeting.

David Robertson introduced the Risk interrogation: Digital security report, copies of which had been previously circulated.

David highlighted the key messages from the report and following discussion it was agreed to incorporate a strategic commitment to report to the Board and Management Team as well as a monthly update to the Chief Operating Officer. The risks around home working would also be emphasised and timescales would be added to the active controls. It was also agreed that the expected additional spending on digital security would be incorporated into the strategy.

Following discussion Management Team welcomed the report.

5. Digital security update

David Robertson introduced the Digital security update report, copies of which had been previously circulated.

Management Team reflected on the significant increase in forms of digital attack during the pandemic and acknowledged the efforts of the team to minimise the impact and raising awareness of ongoing cyber security threats.

A discussion followed on the digital security adopted by the Scottish Government and other audit agencies and Management Team noted that such information is routinely shared across agencies.

Following discussion, Management Team noted the contents of the report and reiterated its commitment to additional expenditure for digital security purposes.

6. Q1 Data incident/loss report

Gayle Fitzpatrick introduced the Q1 Data incident/loss report, copies of which had been previously circulated.

Management Team noted that seven data incidents had occurred during the Q1 reporting period and in all cases, the risks had been successfully mitigated and learning shared. Six incidents did not merit being reported to the Information Commissioner's Office (ICO), with one reported as a precautionary measure. Following these incidents, additional digital security and data protection guidance was provided to all staff via the staff Yammer channel to share the learning and maintain organisational awareness during this 'new normal'.

Following discussion, Management Team noted the contents of the report.

David Robertson left the meeting.

7. Annual review of corporate governance policies

Gayle Fitzpatrick introduced the Annual review of corporate governance policies, copies of which were previously circulated.

Management Team were invited to consider the current Standing Orders, Financial Regulations, Scheme of Delegation and the revised Codes of Conduct and recommend them to the Audit Committee for review and approval.

Following discussion, Management Team suggested modifications to all three policies prior to consideration by the Audit Committee.

A discussion followed on working securely at home and in addition to the guidance already posted on Yammer, Gayle would issue an all staff email in this respect.

Management Team welcomed the discussion.

Gayle Fitzpatrick left the meeting.

8. 2020 Pay award outturn

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

David Blattman introduced the 2020 Pay award outturn report, copies of which had been previously circulated.

Management Team noted the contents of the report.

9. Talent management and succession planning

David Blattman introduced the Talent management and succession planning report, copies of which had been previously circulated.

David highlighted the key messages from the report and a discussion followed. Management Team suggested refinements which would be incorporated into the report prior to submission to Remco.

Following discussion, Management Team noted the contents of the report and, subject to amendment, agreed these be submitted for consideration by Remco.

10. 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 had been previously circulated.

David highlighted the key messages from the report and following discussion, Management Team suggested amendments, prior to consideration by Remco.

Management Team acknowledged the revised timeline for completion of the revised staff handbook which would be further considered at the next meeting of Management Team.

David confirmed that an all staff Pulse survey would be circulated again on Thursday 20 August with further consideration of different themes to use in the longer term.

Following discussion, Management Team welcomed the report.

David Blattman left the meeting.

11. Draft Management Team agenda: 25 August 2020

Management Team noted the draft agenda (subject to clarification of one item) for the meeting of 25 August 2020.

12. Any other business

There was no other business for discussion.

13. Date of next meeting: 25 August 2020

The next meeting of Management Team will take place on 25 August 2020.

Minutes

Management Team



Tuesday 25 August 2020, 9.30am
TEAMS Meeting

Present:

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

Apologies:

Diane McGiffen

There in attendance:

Elma Murray, Interim Chair of the Accounts Commission
David Blattman, HR&OD Manager, Corporate Services
Susan Burgess, Assistant Human Resources Manager
Ashleigh Mackenzie, Human Resources Advisor
Tracey Bray, Senior Business Partner, Organisational Development
Gayle Fitzpatrick, Corporate Governance Manager
Stuart Dennis, Corporate Finance Manager
Owen Smith, Senior Manager, Audit Quality and Appointments
Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting on 18 August 2020

The draft minutes dated 18 August 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Support to the Accounts Commission for Scotland review

Elma Murray, Interim Chair of the Accounts Commission, joined the meeting.

Elma Murray introduced the Support to the Accounts Commission for Scotland review report, copies of which had been previously circulated.

Elma invited Management Team to note the recommendations arising from the review commissioned by the Accounts Commission and welcomed any comments on the findings. Elma advised the report would be considered by the Remuneration and Human Resources Committee at its meeting on 2 September 2020.

During detailed discussion, Management Team noted the 21 recommendations to be taken forward by the Accounts Commission, 9 of which were already underway including streamlining of reporting. Management Team considered the 5 recommendations highlighted for working in partnership with business groups in Audit Scotland and the 3 recommendations relating to resources which would require Audit Scotland's agreement.

Following discussion, Management Team welcomed the report and confirmed their commitment to supporting the Accounts Commission in progressing with the recommendations, recognising the value of working together to deliver public audit in Scotland.

Elma Murray left the meeting.

3. Diversity and equality reporting

David Blattman, HR&OD Manager, Susan Burgess, Assistant Human Resources Manager, and Ashleigh Mackenzie, Human Resources Advisor, joined the meeting.

David invited Management Team to consider and comment on Audit Scotland's Annual Diversity Report, Gender Pay Gap Report and Equal Pay Audit report which will be considered by the Remuneration and Human Resources Committee on 2 September 2020.

During detailed discussion, Management Team considered the reports which set out the overall proposition in relation to our approach to diversity and inclusion to enable faster change in Audit Scotland's workforce demographic and the link to the retention of talent within the organisation.

Following discussion, Management Team welcomed the suite of reports and agreed a number of amendments to the Equal Pay report.

David Blattman advised Management Team of the future strategy and sought consideration of a leadership sponsor for diversity and equality. Management Team agreed their support for the proposed strategy and Fiona Kordiak agreed to be the leadership sponsor.

Susan Burgess and Ashleigh Mackenzie left the meeting.

4. Career development gateways review

Tracey Bray, Senior Business Partner, Organisational Development, joined the meeting.

Tracey Bray introduced the Career development gateways review report, copies of which had been previously circulated.

Tracey invited Management Team to note and comment upon this report prior to consideration by the Remuneration and Human Resources Committee on 2 September 2020 and the Partnership Forum meeting on 3 September 2020.

Management Team welcomed the report and reflected on the success of the approach which had enabled the organisation to retain talent and which had led to a reduction in the number of external recruitment campaigns.

Following discussion, Management Team noted that ongoing monitoring of the overall shape of the organisation was required to avoid potential grade creep.

Tracey Bray left the meeting.

5. Covid-19 updates

Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

David Blattman provided an update on key developments reported in Scotland.

Management Team discussed the impact of schools reopening, reports of increased absenteeism and testing being recorded and agreed colleagues balancing work and caring duties as a result speak to their respective manager and colleagues.

David advised Management Team of a meeting of the working group assessing and developing the new process for colleagues accessing workplaces and as Audit Scotland is a non-essential workplace this will align with the guidance issued by Scottish Government for all public bodies.

Following discussion, Management Team welcomed the update and agreed a discussion on the Pulse Survey would be scheduled for the meeting of IMT on Thursday 27 August and an update on accessing workplaces would be scheduled for a later date.

Gayle Fitzpatrick and David Blattman left the meeting.

6. 2021/22 budget proposal

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2021/22 Initial budget proposal report, copies of which had been previously circulated.

Stuart invited Management Team to consider and approve the proposed expenditure budget to be presented to the Board at its meeting on 30 September 2020 and consider the potential budget risks reported.

During detailed discussion, Management Team considered the proposed budget assumptions recognising the complexity and uncertainty of the full impact of Covid-19 in terms of productivity and fee income, and discussed the level of the proposed pay award, likely property expenditure and efficiencies.

Following discussion, Management Team welcomed the report and agreed a number of changes to the proposed assumptions. Furthermore, Management Team noted the longer term financial risks and agreed an options paper on EAFA audit work should be scheduled in early course. Fiona Kordiak advised Michael Oliphant would lead on this. Stuart Dennis advised a review of Audit Scotland's property portfolio would be undertaken in the medium term and a discussion on Audit Scotland's fees and funding model would also be scheduled.

Action(s): An options paper on EAFA audit work to be scheduled. (September 2020)

A discussion on Audit Scotland fee and funding model to be scheduled. (September 2020)

A review of Audit Scotland's property portfolio to be scheduled. (October 2020)

Stuart Dennis left the meeting.

7. NAO AGN 03 – Auditor's Work on Value for Money (VFM) Arrangements – Consultation

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

Owen Smith introduced the NAO AGN 03 Auditor's Work on Value for Money (VFM) Arrangements – Consultation report, copies of which had been previously circulated.

Owen invited Management Team to consider the draft response, comment on the draft consultation response, and approve the response on behalf of Audit Scotland.

Following consideration, Management Team approved the response subject to the inclusion of narrative on the role of best value audit in Scotland.

Owen Smith left the meeting.

8. Digital audit strategy project update

This item was rescheduled to the next meeting of Management Team on 1 September 2020.

9. Draft Accounts Commission agenda: 10 September 2020

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

Paul Reilly introduced the Draft Accounts Commission agenda: 10 September 2020, copies of which had been previously circulated.

Management Team welcomed the report.

Paul Reilly left the meeting.

10. Proposed Board and Committee meeting dates for 2021

Diane McGiffen introduced the proposed Board and Committee meeting schedule for 2021, which had been previously circulated.

Management Team were invited to note the proposed meeting dates for 2021 which were scheduled to be considered by the Audit Committee on 2 September 2020 prior to approval by the Board at its meeting on 30 September 2020.

Joy Webber advised that following feedback from Committee members, some dates may be revised providing statutory reporting deadlines could be accommodated.

Management Team noted the report.

11. Draft Management Team agenda: 1 September 2020

Management Team noted the draft agenda for the meeting of Management Team on 1 September 2020.

12. Any other business

There was no other business for discussion.

13. Date of next meeting: 1 September 2020

The next meeting of Management Team will take place on 1 September 2020.

Minutes



Management Team

Tuesday 1 September 2020, 9.30am

TEAMS Meeting

Present:

Diane McGiffen (Chair)

Stephen Boyle

Fiona Kordiak

Fraser McKinlay

Lorna McEwan (Minutes)

Apologies:

There were no apologies.

There in attendance:

Gemma Diamond, Audit Director, Performance Audit and Best Value
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
Antony Clark, Audit Director, Performance Audit and Best Value
Patrick McFall, Communications Adviser, Corporate Services
Nicola Constable, Executive Assistant, Corporate Services
Elizabeth Sargeant, Communications Adviser, Corporate Services

1. Minutes of meeting on 25 August 2020

The draft minutes dated 25 August 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Digital audit strategy project update

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

Gemma Diamond and Mark Roberts introduced the Digital audit strategy project update report, copies of which had been previously circulated.

Gemma and Mark invited Management Team to consider the vision for the Digital audit strategy as set out and the key drivers and issues arising.

During detailed discussion, Management Team considered the level of ambition for the strategy, the scale and timeline to deliver together with the key interdependences with corporate objectives including electronic working papers, data analytics and digital services strategy and the appropriate governance and oversight required going forward.

Management Team reflected on the need to say more on progress made so far, digital progression in 2020 in response the pandemic, how Audit Scotland deploys that progress to the best effect for the next Code and recognising the added value this strategy brings to the longer term vision for the future of digitally enabled world class audit.

Management Team discussed the priority of auditing tools and noted the options to build inhouse or source externally, the potential to collaborate with other audit agencies and recognised the potential level of investment required in a fast moving environment. Turning to pace and capacity Management Team considered the resilience and capacity of our workforce and the importance of retaining, developing and recruiting key skills.

Following discussion, Management Team welcomed the discussion and acknowledged the digital audit strategy is fundamental to the future delivery of world class audit. Management Team agreed a further update would be scheduled.

Action(s): A further update on the digital audit strategy to be scheduled. (November 2020)

Gemma Diamond and Mark Roberts left the meeting.

3. Covid-19 updates

Simon Ebbett, Communications Manager, David Blattman, HR & OD Manager, and Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Simon Ebbett opened the discussion on the Covid-19 update and Management Team considered the initial proposed options for opening further engagement opportunities with colleagues based on feedback received through the Pulse surveys to date.

Antony Clark highlighted the Parliament's approach to move to hybrid meetings for forthcoming committee meetings and Stephen Boyle advised his attendance in person was appropriate given he is an officer holder. Management Team noted this approach and agreed other colleagues should continue to follow Scottish Government guidance for non-essential workers and continue to work from home and join Parliamentary sessions virtually.

Following discussion, Management Team welcomed the report.

Simon Ebbett and David Blattman left the meeting.

4. Q1 Corporate performance report

Ian Metcalfe, Corporate Governance Officer, joined the meeting.

Gayle Fitzpatrick introduced the Q1 Corporate performance report, copies of which had been previously circulated.

Gayle Fitzpatrick invited Management Team to note the overall good performance reported in the three months to 31 March 2020 and consider whether any additional management action is required.

Management Team welcomed the performance reported and Stephen Boyle advised he had some specific comments on the RAG status which he would share following today's meeting.

Management Team considered the known delays to audit work and agreed this should be captured in the commentary, recognising the challenges faced by audit colleagues during the pandemic compared to delivery of audit work in the same period last year. Looking ahead, Management Team noted the known issues around cashflow, income and delivery of audit in year and going forward.

Following discussion, noted the report.

Gayle Fitzpatrick and Ian Metcalf left the meeting.

5. Engagement overview – August 2020 to January 2021

Simon Ebbett, Communications Manager, Patrick McFall, Communications Adviser, Corporate Services, Nicola Constable, Executive Assistant, Corporate Services, and Elizabeth Sargeant, Communications Adviser, Corporate Services, joined the meeting.

Simon Ebbett introduced the Engagement overview – August 2020 to January 2021 report, copies of which had been previously circulated.

Simon invited Management Team to note the points of action in the overview and consider whether they are proportionate and complement other Management Team activity.

Stephen Boyle expressed his thanks to colleagues for their time and support during his period of transition and induction as Accountable Officer and Auditor General for Scotland and welcomed the opportunity to engage further with colleagues going forward.

During detailed discussion, Management Team considered a number of options including virtual informal and formal team meetings and agreed the forthcoming publication of the Redmond review provided a good opportunity to engage with colleagues. Fiona Kordiak agreed to take this forward.

In terms of external engagement, Management Team agreed with the need to ensure awareness of meetings and how to build on Stephen Boyle's key priorities and vision for Audit Scotland. Simon Ebbett agreed to provide a summary of key messages.

Following discussion, Management Team welcomed the discussion.

Action(s): Simon Ebbet to provide a summary of Stephen Boyle's key messages and vision for Audit Scotland. (September 2020)

Simon Ebbett, Patrick McFall, Nicola Constable, and Elizabeth Sargeant left the meeting.

6. Draft Management Team agenda: 8 September 2020

Management Team noted the proposed agenda for the meeting on 8 September 2020 and with two items of business to be confirmed agreed these be rescheduled to 15 September 2020.

7. Any other business

There was no other business for discussion.

8. Date of next meeting

The next meeting of Management Team will now take place on 15 September 2020.

Minutes



Management Team

Tuesday 15 September 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

Diane McGiffen

There in attendance:

Mark Roberts, Audit Director, Performance Audit and Best Value
Mark Taylor, Audit Director, Audit Services and Performance Audit and Best Value
Fiona Diggle, Audit Manager, Performance Audit and Best Value
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
Simon Ebbett, Communications Manager
David Blattman, HR&OD Manager, Corporate Services
Gayle Fitzpatrick, Corporate Governance Manager
Ian Metcalfe, Corporate Performance Officer
Graeme Greenhill, Senior Manager, Performance Audit and Best Value

1. Minutes of meeting on 1 September 2020

The draft minutes dated 1 September 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. EU withdrawal update

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

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

Mark invited Management Team to note engagement with stakeholders and key areas of concern arising around maintaining medical supplies, migration and border control and further economic impact.

During detailed discussion, Management Team welcomed the work underway with Communications on an external blog and internal Yammer blog on the withdrawal process, noted potential implications for Audit Scotland in terms of access to data, contingency arrangements and welcomed Digital Services engagement with the Scottish Government. In terms of audit work, Management Team noted key decision points will arise in relation to EAFA work, a report on which was scheduled for 13 October 2020.

Following discussion, Management Team welcomed the report and approved its submission to the Board. In addition, Management Team agreed they would welcome monthly updates on developments.

Action(s): Monthly EU Withdrawal updates to be scheduled. (Ongoing)

3. New financial powers and constitutional change update

Fiona Diggle, Audit Manager, Performance Audit and Best Value, joined the meeting.

Mark Taylor welcomed Fiona Diggle to the team and introduced the New financial powers and constitutional change update report, copies of which had been previously circulated.

Mark invited Management Team to consider the report highlighting the change to the size of the programme as this was embedded now in audit work and the continued uncertainty around the audit for Social Security from April 2020.

During detailed discussion, Management Team noted engagement with the National Audit Office on the Social Security audit and the current uncertainty around future resource requirements. Mark invited Management Team to note further discussions were required in relation to legacy and climate change and it was agreed this should be considered by the New Financial Powers Steering Group. Stephen Boyle agreed he would welcome the opportunity to join the discussion.

Following discussion, Management Team welcomed the update and agreed a number of inclusion of operational matters be included in the Board report in relation to budget and future work in tracking public spend for Covid-19.

Mark Roberts, Mark Taylor and Fiona Diggle left the meeting.

4. Audit appointment extension confirmation

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

Elaine Boyd introduced the Audit appointment extension confirmation report, copies of which had been previously circulated.

Elaine invited Management Team to consider the formal notification to extend the current audit appointments for a further year.

During discussion, Management Team considered the proposal to extend the current audit appointments by one year. In terms of process, Elaine confirmed that formal letters would be issued to the Auditor General for Scotland and the Accounts Commission to seek their approval to the extension and on receipt the Audit Quality and Appointments team would inform audited bodies. Elaine also advised Management Team that the New Audit Appointments Steering Group would consider an initial timeline for the procurement of new audit appointments at its meeting on 23 September 2020.

Following discussion, Management Team welcomed the report and approved the proposal to extend the current audit appointments.

Elaine Boyd and John Gilchrist left the meeting.

5. 2020/21 Spring budget revision – IAS 19 pension costs

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2020/21 Spring budget revision – IAS 19 pension costs report, copies of which had been previously circulated.

Stuart invited Management Team to consider the options to submit Audit Scotland's spring budget revision in relation to anticipated pension service costs.

During detailed discussion, Management Team noted this included funding required based on the Hymans estimate received in April 2020 and the proposal to submit a separate Spring Budget review to account for the impact of Covid-19. Stuart Dennis advised he would request a new valuation to account for the impact of the McCloud ruling. Management Team noted that a work was underway to bring the financial forecast to next week's meeting.

Following discussion, Management Team agreed liaison with the SCPA on the proposed submissions and welcomed the report.

6. 2021/22 Budget proposal

Stuart Dennis introduced the 2021/22 Budget proposal report, copies of which had been previously circulated.

Stuart invited Management Team to note the update reflected the revised pay award assumption prior to submission to the Board and further clarification on the audit resource for New Financial Powers.

During detailed discussion, Management Team noted the updated assumptions and agreed that the increased Management Contingency would provide some flexibility although it was too early to fully understand the impact of Covid-19 on the overall operating model in the medium and longer term.

Management Team agreed to further reduce the travel and subsistence and conference budgets and would welcome a review of leave balances and 5 year capital projections. In terms of fees, Management Team recognised the uncertainty around the impact of Covid-19 on the future scope of audit and noted ongoing discussions on the forward work programme, agreeing a further discussion on fees and funding would be required.

Following discussion, Management Team welcomed the report and agreed the inclusion of further narrative prior to submission to the Board.

Stuart Dennis left the meeting.

7. Covid-19 updates

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 including the rise of positive cases reported. Management Team considered the letter received from the Scottish Government advising of the continuation of remote working for their workforce until the end of 2020 and agreed to share a communication with colleagues this week to advise that Audit Scotland would also adopt this approach and to advise of additional support available for colleagues. Management Team noted options to procure Covid-19 secure workspace for a small number of colleagues was underway and options would be presented to Incident Management Team on Thursday 17 September.

David Blattman invited Management Team to consider the proposed focus of the Pulse survey and following discussion, Management Team agreed those questions on which to seek colleagues' views.

Following discussion, Management Team welcomed the update and encouraged colleagues to download Scotland's protect and trace app.

Martin Walker and David Blattman left the meeting.

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

Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

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

Gayle invited Management Team to consider and recommend the amended policy to the Board for approval.

During discussion, Management Team noted the minor amendments made to the policy and in relation to the implications of access to data following EU withdrawal, agreed this would be kept under review as part of regular updates coming to Management Team.

Following discussion, Management Team agreed to recommend the policies to the Board for approval.

9. Records management annual policy review

Gayle Fitzpatrick introduced the Records management annual policy review report, copies of which had been previously circulated.

Gayle invited Management Team to consider the amendments made following review of the policy and sought Management Team's recommendation to the Board to approve the updated policy.

During discussion, Management Team welcomed the amendments to the policy which provided further clarity on the review and assurance process.

Gayle advised Management Team that Audit Scotland had been invited to submit a 5 year records management plan to National Records Service by 31 October 2020 but due to the increased demand and guidance required from Corporate Governance during the pandemic this deadline had been extended to 31 January 2021.

Following discussion, Management Team recommended the updated policy to the Board.

10. Public Services Reform (Scotland) Act – draft statement on exercise of public functions

Ian Metcalfe, Corporate Performance Officer, joined the meeting.

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

Ian invited Management Team to approve both statements for inclusion on Audit Scotland's website.

During discussion, Management Team approved the statement on effective performance and agreed the statement of sustainable economic growth be streamlined and updated to include a reference to Covid-19, Audit Scotland's contribution to economic development both as an employer and through audit work and our commitment to diversity, equality and inclusivity.

Following discussion, Management Team welcomed the report and subject to amendment approved publication of the statements.

Gayle Fitzpatrick left the meeting.

11. Environment, sustainability and biodiversity annual report 2019/20

Graeme Greenhill, Senior Manager, Performance Audit and Best Value, joined the meeting.

Graeme Greenhill introduced the Environment, sustainability and biodiversity annual report 2019/20, copies of which had been previously circulated.

Ian Metcalfe invited Management Team to note the performance reported had far exceeded the target to reduce emissions and during discussion advised that while work was underway to continue Audit Scotland's commitment to reducing emissions over the next period this was in the absence of any known national target.

Following discussion, Management Team commended the progress reported and subject to a few presentational points on the report approved its submission to the Board.

Graeme Greenhill and Ian Metcalfe left the meeting.

12. Draft Management Team agenda: 22 September 2020

Management Team noted the proposed agenda for the meeting on 22 September 2020.

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 22 September 2020.

Minutes



Management Team

Tuesday 22 September 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

Fiona Diggle, Audit Manager, Performance Audit and Best Value

There in attendance:

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
Fiona Diggle, Audit Manager, Performance Audit and Best Value
Veronica Cameron, Auditor, Performance Audit and Best Value
Nicola Constable, Executive Assistant, Corporate Services
Paul Reilly, Secretary to the Accounts Commission
Mark Taylor, Audit Director, Audit Services and Performance Audit and Best Value
Angela Canning, Audit Director, Performance Audit and Best Value
Antony Clark, Audit Director, Performance Audit and Best Value
Mark Roberts, Audit Director, Performance Audit and Best Value
Brian Howarth, Audit Director, Audit Services
David Robertson, Digital Services Manager
David McGurk, Digital Services Manager
Stuart Dennis, Corporate Finance Manager
Elaine Boyd, Audit Director, Audit Quality and Appointments
Owen Smith, Manager, Audit Quality and Appointments
John Gilchrist, Manager, Audit Quality and Appointments
Gordon Smail, Audit Director, Audit Services and Performance Audit and Best Value
Ross Hubert, Senior Auditor, Audit Services
Stephanie Harold, Senior Auditor, Audit Services
Marie McFadden, Trainee Auditor, Audit Services
Stephen O'Hagan, Senior Audit Manager, Audit Services
Euan Dickson, Trainee Auditor, Audit Services
Carol Calder, Senior Manager, Performance Audit and Best Value
Susan Burgess, Assistant HR Manager
Kayleigh Wiechers, Senior HR Adviser
Charlotte Anderson, L&D Consultant

1. Minutes of meeting on 15 September 2020

Management Team noted the version of the draft minutes circulated for 15 September 2020 were in note form. Joy Webber agreed to circulate these to Management Team for comment and approval by correspondence.

2. Covid-19 updates

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 and invited comments on the draft Covid-19 update report for the Audit Scotland Board's consideration on 30 September 2020, copies of which had been previously circulated.

During discussion, Management Team noted the forthcoming announcements by the Prime Minister and First Minister which were expected to introduce new restrictions and the potential impact this will have for colleagues. Management Team recognised the need to respond to the increased support required for colleagues over the coming months.

Following discussion, Management Team agreed the importance of regular communication with colleagues as changes come into effect.

Turning to the Board report, Management Team agreed this would be updated following the announcements with any further developments being provided by way of a verbal update at the meeting. Management Team shared some comments on the report.

Following discussion, Management Team welcomed the discussion and report and agreed to share the report with colleagues when this is issued to the Board.

Action(s): A copy of the Board report to be shared with colleagues. (September 2020)

Simon Ebbett and David Blattman left the meeting.

3. 2020/21 Q1 Strategic improvements programme update

Martin Walker introduced the 2020/21 Q1 Strategic improvements programme update report, copies of which had been previously circulated.

Martin invited Management Team to note the progress made on the strategic improvement programme update report highlighting the work underway for the new ways of working in the short, medium and longer term.

During detailed discussion, Management Team welcomed the progress reported on the workstreams and agreed the inclusion of updated milestones be reflected in relation to the Audit Services audit approach and Electronic working papers.

Following discussion, Management Team welcomed the report and agreed the report should clarify that the strategic improvement programme report is under review to reflect the work underway to develop a more streamlined approach to reporting Audit Scotland's corporate priorities to deliver public audit in Scotland during and following the pandemic. Management Team agreed a further discussion on the updated programme would be welcomed.

Action(s): A discussion on the future programme to be scheduled. (October 2020)

4. Complaints handling procedure

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

Gayle Fitzpatrick introduced the Complaints handling procedure report, copies of which had been previously circulated.

Gayle invited Management Team to consider the revised complaints handling procedure, customer leaflet and employee guide which reflected on the guidance received from the SPSO and to recommend these to the Board for approval on 30 September 2020.

During discussion, Management Team noted that the procedure covers services provided by the Auditor General for Scotland, Accounts Commission and Audit Scotland and when publicising

agreed it would be helpful to identify the routes available for complaints connected to other services, for example the conduct of officeholders and audit quality.

Following discussion, Management Team welcomed the comprehensive report and subject to amendment recommended this to the Board for approval.

Martin Walker and Gayle Fitzpatrick left the meeting.

5. Conference wrap up session

Veronica Cameron, Auditor, Performance Audit and Best Value, and Nicola Constable, Executive Assistant, Corporate Services, joined the meeting.

Veronica Cameron introduced the Conference wrap up session report, copies of which had been previously circulated.

Veronica invited Management Team to reflect on the lessons learned from the 2020 Conference programme and the recommendation from the conference group that the 2021 programme consists of series of virtual events.

During detailed discussion, Management Team welcomed the report and acknowledged the work of the team in responding to the impact of lockdown and delivering a series of online sessions during 2020 and considered the proposals for next year's events. Management Team welcomed the proposed series of virtual events, noting it would work well alongside the existing engagement plans to bring the organisation together in a virtual way and agreed the team should engage with the conference adviser to get a programme of events underway before the end of the year and into 2021.

Following discussion, Management Team noted the links around engagement with the People Summit discussion at Item 11 of today's agenda.

Veronica Cameron and Nicola Constable left the meeting.

6. Draft Accounts Commission agenda: 8 October 2020

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

Paul Reilly introduced the draft Accounts Commission agenda: 8 October 2020, copies of which had been previously circulated.

Management Team noted the agenda and that a report on the annual audit planning guidance would be going to the Accounts Commission on 22 October and Fraser McKinlay advised a report on timelines would be coming to Management Team in early course.

Management Team noted the Consultation response to the Ethical Standards Commissioner consultation related to public appointments.

Paul Reilly left the meeting.

7. Draft Board agenda: 30 September 2020

Management Team noted the draft agenda for the meeting of the Board on 30 September 2020.

8. Draft Management Team agenda: 29 September 2020

Management Team noted the proposed agenda for the meeting on 29 September 2020 and agreed Item 9 would be rescheduled to a later meeting.

Action(s): Reschedule item 9 to a later meeting. (October 2020)

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 29 September 2020.

11. People Summit

Diane McGiffen welcomed everyone to the People Summit discussion before inviting David Blattman to facilitate the discussion.

David Blattman, Mark Taylor and Angela Canning led detailed discussions on key emerging themes arising from the pandemic including what that means for Audit Scotland colleagues and the support required now and also in the longer term, the capacity of the workforce to deal with work which has been delayed together with planning and delivery of next year's audit programme with increased audit scrutiny required as a result of the pandemic, the importance of audit quality and engagement both internally and with stakeholders and noted that work was underway to revise the improvement programme.

Following detailed discussion, attendees considered and agreed next steps, project leads and timelines for the proposed workstreams with a further discussion with Management Team scheduled for 27 October 2020.

Management Team welcomed the discussion and thanked everyone for their contribution.

Minutes



Management Team

Tuesday 29 September 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

There in attendance:

Elaine Boyd, Audit Director, Audit Quality and Appointments
Owen Smith, Manager, Audit Quality and Appointments
John Gilchrist, Manager, Audit Quality and Appointments
Tracey Bray, Senior Business Partner, Organisational Development
David Blattman, HR&OD Manager, Corporate Services
Charlotte Anderson, L&D Consultant, Corporate Services
Susan Burgess, Assistant HR Manager, Corporate Services
Paul Reilly, Secretary, Accounts Commission
Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager

1. Minutes of meetings on 15 September 2020 and 22 September 2020

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

The draft minutes dated 22 September 2020 were also considered and Management Team agreed that these were an accurate record of the meeting.

2. Draft Audit quality interim report

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

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

Elaine invited Management Team to consider and comment on the scope, presentation and results of the interim report and to approve the report for consideration by the Auditor General for Scotland, Accounts Commission and Audit Scotland's Audit Committee.

During detailed discussion, Management Team welcomed the overall level of audit quality reported and considered the future timing and planning of audit quality reporting in response to the additional risks and implications arising from remote auditing on quality during the pandemic. Elaine Boyd advised of work scheduled in October 2020 to engage with ICAS on their independent review of audit quality, advised of ongoing engagement with audit firms and agreed to bring an update on progress early in 2021 which would report on delivery of audit to revised deadlines this year and set out key milestones for reporting throughout the year.

Fiona Kordiak advised that the Quality Committee will consider a further report at its next meeting on the focus of thematic reviews of risk areas identified.

Following detailed discussion, Management Team welcomed the report and agreed it should include a statement from Audit Quality and Appointments team on the key issues for the audit profession as a result of Covid-19, and agreed that the report would be anonymised prior to further reporting to the Auditor General for Scotland, Accounts Commission and Audit Committee.

Action(s): An update report to be scheduled early 2021 on audit quality reporting and key milestones. (January 2021)

3. Audit Quality stakeholder feedback proposal 2020

John Gilchrist introduced the Audit Quality stakeholder feedback proposal 2020 report, copies of which had been previously circulated.

John invited Management Team to consider the proposed survey in Appendix 1 and to comment on whether the streamlined survey would provide sufficient information to form a useful judgement about audited bodies' perception of audit quality.

During detailed discussion, Management Team considered the proposed questions for the stakeholder feedback survey.

Following discussion, Management Team welcomed the balance of questions and agreed the inclusion of questions to capture feedback on the impact of Covid-19 and role of remote auditing.

Following discussion, Management Team welcomed the report.

4. Audit appointment changes in Audit Services Group 2019/20

John Gilchrist introduced the Audit appointment changes in Audit Services Group 2019/20 report, copies of which had been previously circulated.

John invited Management Team to consider and comment on Audit Quality and Appointments' proposals for an appointment change to Food Standards Scotland by the Auditor General for Scotland.

During discussion, Management Team considered the proposed change and any impact on resources.

Following discussion, Management Team noted the assurance provided that there was no risk to audit quality and reporting and recommended the appointment change.

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

5. Best Companies update

Tracey Bray, Senior Business Partner, Organisational Development, Charlotte Anderson, L&D Consultant and David Blattman, HR&OD Manager, Corporate Services, joined the meeting.

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

Tracey invited Management Team to consider and approve the recommendation to run the Best Companies survey in January/February 2021.

During discussion, Management Team agreed with the proposal to run the Best Companies survey early in 2021 and welcomed feedback on ongoing engagement with teams following last year's survey.

Following discussion, Management Team agreed they would welcome early sight of the proposed communications strategy, how this forms part of the wider engagement plan, ongoing Pulse surveys and outputs from the recent People focused summit discussion at Management Team.

Action(s): An update on key milestones and overall engagement plan to be scheduled. (October 2020)

Tracey Bray and Charlotte Anderson left the meeting.

6. Support for the Accounts Commission (Resource)

Susan Burgess, Assistant HR Manager and Paul Reilly, Secretary to the Accounts Commission, joined the meeting.

David Blattman introduced the Support for the Accounts Commission (Resource) report, copies of which had been previously circulated.

David invited Management Team to consider and approve the proposal to establish a FTE 1.0 pay band 2B role, as described in Appendix 1, for a period of two years. This new role will replace the two 0.5 FTE roles (0.5 at 2A and 0.5 at 2B) currently in place to support the Commission Secretary.

During detailed discussion, Management Team considered the proposal, noted existing resource and agreed they would welcome sight of the additional cost. Management Team discussed the development opportunities of such a role and agreed expressions of interest should not be limited to existing pay band 2B colleagues. Management Team agreed that given the importance of the role, the interview panel should have a balance of audit, corporate and Commission experience.

Following discussion, Management Team welcomed the report and agreed an update with the cost information would follow.

Action(s): An update on the additional cost to follow. (October 2020)

David Blattman, Susan Burgess and Paul Reilly left the meeting.

7. Confidential item

Management Team agreed to defer Item 7 to the meeting on 6 October 2020.

8. Covid-19 updates

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

Martin Walker provided a verbal update on developments in relation to Covid-19. Management Team considered the impact of new restrictions, the likely circuit breaker in October and reflected on the report that worldwide deaths had reached 1 million.

Management Team welcomed the launch of the working arrangements for the future survey and expressed their thanks to colleagues who had already responded.

Following discussion, Management Team welcomed the update.

Martin Walker and Simon Ebbett left the meeting.

9. Leadership Group meeting agenda discussion: 7 October 2020

Management Team discussed the agenda for the forthcoming meeting of Leadership Group and agreed an update following on from the People Summit discussion would be helpful, an update on the future work programme and proposed S22 reporting.

10. Audit Partners meeting agenda discussion: 12 October 2020

Management Team agreed the meeting be rescheduled to early November 2020.

11. Draft Management Team agenda: 6 October 2020

Management Team noted the proposed agenda for the meeting on 6 October 2020.

12. Any other business

There was no other business for discussion.

13. Date of next meeting

The next meeting of Management Team will take place on 6 October 2020.

Minutes



Management Team

Tuesday 6 October 2020, 9.30am

TEAMS Meeting

Present:

Diane McGiffen (Chair)

Stephen Boyle

Fiona Kordiak

Fraser McKinlay

Lorna McEwan (Minutes)

Apologies:

There were no apologies.

There in attendance:

Stuart Dennis, Corporate Finance Manager

Gavin Byers, Development Manager, Digital Services

Simon Ebbett, Communications Manager

Mark Roberts, Audit Director, Performance Audit and Best Value

Martin Walker, Associate Director, Corporate Performance and Risk

David Blattman, HR&OD Manager

Mark Taylor, Audit Director, Audit Services and Performance Audit and Best Value

Fiona Diggle, Audit Manager, Performance Audit and Best Value

Richard Robinson, Senior Manager, Performance Audit and Best Value

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

1. Minutes of meeting on 29 September 2020

The draft minutes dated 29 September 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. 2020/21 Financial forecast

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2020/21 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 and to agree the total additional budget requirement to be approved by the Board in the Spring Budget Revision based on the scenarios outlined in this report.

During discussion, Management Team reflected on the projections depicted in appendix 1 and having discussed the range of assumptions, agreed that the assumption of a small surplus would not be a viable option in light of the degree of volatility, uncertainty and risk for budget planning.

Management Team further agreed that the finance paper would be linked to the prioritisation of work, thus depicting a fairer reflection of how the situation would be actively managed.

Management Team welcomed the discussion, which would be continued with the next iteration of the report at a future meeting.

3. Transitional funding to strengthen digital security

Gavin Byers, Development Manager, joined the meeting.

Gavin Byers introduced the Transitional funding to strengthen digital security report, copies of which had been previously circulated.

Gavin invited Management Team to consider the contents of this report and if appropriate approve the transitional expenditure.

During discussion, Management Team acknowledged the increase of risks in digital security as a consequence of working from home.

Following discussion, Management Team approved the additional transitional expenditure.

Gavin Byers and Stuart Dennis left the meeting.

4. Communications digest

Simon Ebbett, Communications Manager and Mark Roberts, Audit Director, Performance Audit and Best Value, joined the meeting.

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

Simon highlighted the very recent news of a forthcoming *circuit breaker* announcement to be made by Nicola Sturgeon on 7 October 2020 along with the Scottish Government support for the SFA. Management Team noted the update and following discussion, welcomed the report.

5. Hotlist of audit risks and issues

Mark Roberts introduced the Hotlist of audit risks and issues report, copies of which had been previously circulated.

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

During discussion, Management Team reflected on potential s22 reports which may feature on the Holist going forward.

Following discussion, Management Team welcomed the report.

Mark Roberts left the meeting.

6. Covid-19 updates

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.

During discussion, Management Team noted the imminent announcement of increased restrictions and the subsequent wellbeing implications for colleagues. Management Team agreed that colleagues would be encouraged to take any planned leave and acknowledged the implications of unanticipated childcare.

Following discussion, Management Team welcomed the update.

7. Strategic improvement programme

Martin Walker introduced the Strategic improvement programme presentation.

Martin invited Management Team to note and comment on the presentation, prior to issue to Leadership Group.

During discussion, Management Team suggested refinements, prior to consideration by Leadership Group on 7 October 2020.

Management Team welcomed the discussion.

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

8. Engaging with the Finance and Constitution Committee – Taking stock

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

Mark Taylor introduced the Engaging with the Finance and Constitution Committee – Taking stock report, copies of which had been previously circulated.

Mark invited Management Team to note this report and provide suggestions and observations on future engagement with the Committee, including how the Auditor General for Scotland engages with the Convener.

During discussion, Management Team reflected on Committee engagement by the previous Auditor General for Scotland and the importance of commencing and continuing with this good practice.

Management Team welcomed Mark's update on his participation at the first meeting of the Legacy Expert Group and following discussion, Management Team noted the report.

Mark Taylor, Richard Robinson and Fiona Diggle left the meeting.

9. Guidance on planning 2020/21 audits

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

Paul O'Brien introduced the Guidance on planning 2020/21 audits report, copies of which had been previously circulated.

Paul invited Management Team to consider the draft planning guidance for 2020/21 audits and to discuss whether the 'asks' of auditors are reasonable and appropriate in the circumstances and the preferred approach to audit completion deadlines.

During discussion, Management Team reflected on engagement with the Accounts Commission in this respect, and it was agreed that a further discussion would take place, to take this forward.

Management Team welcomed the report.

Action: **Fiona Kordiak, Fraser McKinlay, Paul O'Brien and Paul Reilly to meet to consider engagement with Accounts Commission. (9 October 2020)**

Paul O'Brien left the meeting.

10. – 11. Confidential items

Items 10 and 11 are subject to a separate confidential minute.

12. Draft Management Team agenda: 13 October 2020

Management Team noted the proposed agenda for the meeting on 13 October 2020, subject to minor amendment.

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 October 2020.

Minutes



Management Team

Tuesday 13 October 2020, 9.30am

TEAMS Meeting

Present:

Diane McGiffen (Chair)

Stephen Boyle

Fraser McKinlay

Joy Webber (Minutes)

Apologies:

Fiona Kordiak

There in attendance:

Martin Walker, Associate Director, Corporate Performance and Risk

Simon Ebbett, Communications Manager

Gayle Fitzpatrick, Corporate Governance Manager

Ian Metcalfe, Corporate Governance Officer

Mark Roberts, Audit Director, Performance Audit and Best Value

Michael Oliphant, Audit Director, Audit Services

Alasdair Craik, Senior Audit Manager, Audit Services

1. Minutes of meeting 6 October 2020

The draft minutes and draft confidential minutes dated 6 October 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

2. Covid-19 updates

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

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

During discussion, Management Team noted the latest position reported in Scotland, the adoption of a three-tier approach to regional restrictions in England, reports on increased hospital admissions and the concerns reported on the delivery of flu vaccinations.

Following discussion, Management Team welcomed the update.

Simon Ebbett left the meeting.

3. 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 and to agree, subject to any amendments, that it be submitted to the meeting of the Audit Committee on 4 November 2020.

During discussion, Management Team considered the proposed changes in risk levels for three areas highlighting the links between colleagues' health and safety and the future delivery of audit work with the increased number of Covid-19 cases being reported. Turning to the risk on EU withdrawal, Management Team welcomed the updated assurance on the issue of data storage provided.

Management Team agreed a number of amendments to reflect work underway to monitor the delivery of audit quality in terms of volume and quality review activity for the remainder of 2020/21. Martin Walker agreed to liaise with the Audit Quality and Appointments and the Audit Quality Committee to bring a discussion on the review and delivery of audit quality to Management Team.

Following discussion, Management Team agreed that the report be submitted to the Audit Committee on 4 November 2020, subject to amendment.

Management Team welcomed the discussion.

Action(s): **Martin Walker to liaise with the Audit Quality and Appointments team and Audit Quality Committee to schedule a discussion on the review and delivery of audit quality. (December 2020)**

4. External auditor's independence, objectivity and value for money

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

Gayle Fitzpatrick introduced the External auditor's independence, objectivity and value for money report, copies of which had been previously circulated.

Gayle invited Management Team to note the report and to agree, subject to any amendments, that it be submitted to the Audit Committee meeting of 4 November 2020.

During discussion, Management Team discussed the appointment of the external auditors who are appointed by the Scottish Commission for Public Audit (SCPA) and Diane McGiffen advised she would seek clarification from the SCPA on the procurement of external auditors for Audit Scotland.

Following discussion, Management Team welcomed the report and agreed its submission to the Audit Committee for consideration at its meeting on 4 November 2020.

5. Data incidents/loss report

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

Gayle invited Management Team to note the reported incident in quarter two and provided an update on an incident which had occurred in quarter one advising that the Information Commissioners Office had confirmed that no regulatory action was required due to the controls in place.

Management Team reflected on the helpful communication and engagement with colleagues in recent months highlighting the need for greater diligence when working remotely.

Following discussion, Management Team welcomed the report.

6. Internal audit reports

Preparedness for changes to the Audit Scotland Board and to the Auditor General

Gayle Fitzpatrick introduced BDO's Internal audit report on Preparedness for changes to the Audit Scotland Board and to the Auditor General, copies of which had been previously circulated.

Gayle invited Management Team to note the substantial assurance received on the design and operational effectiveness and highlighted the areas of good practice recognised.

Management Team considered the report and following discussion agreed an amendment to the report in order to provide greater clarity on the respective roles of the Scottish Commission for Public Audit and Audit Scotland in relation to Board appointments, induction and development.

Management Team welcomed the substantial assurance reported.

Internal audit progress report

Gayle Fitzpatrick introduced BDO's Internal audit progress report, copies of which had been previously circulated.

Management Team were invited to note BDO's report on progress of the internal audit programme for 2020/21.

Management Team welcomed the progress reported, noting that all areas had received substantial assurance. Management Team noted the forthcoming schedule of internal audit work which will be considered by the Audit Committee at its meeting on 4 November 2020 together with a proposed programme of work for 2021/22.

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 noted that Audit Services will transition to the time recording system in January 2021 and welcomed the overall progress reported.

Following discussion, Management Team noted the report.

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

7. EU withdrawal – verbal update

Mark Roberts, Audit Director, Performance Audit and Best Value, Michael Oliphant, Audit Director, Audit Services and Alasdair Craik, Senior Audit Manager, joined the meeting

Mark Roberts provided a verbal update on developments.

Management Team noted the deadline in November for EU members to ratify any deal and the remaining areas of concern together with the level of uncertainty and disruption to supplies in early 2021 which remains high.

Management Team recognised the additional pressure for public bodies dealing with the EU withdrawal in the midst of the pandemic, noted the engagement and support for our colleagues who are EU nationals and welcomed the further assurance provided around data access and compliant data governance systems.

Following discussion, Management Team welcomed the update.

8. Future involvement in the audit of the European Agricultural Funds Accounts

Michael Oliphant introduced the Future involvement in the audit of the European Agricultural Funds Accounts (EAFA) report, copies of which had been previously circulated.

Michael invited Management Team to note the current and potential future arrangements and risks concerning the EAFA audit and to consider the options for Audit Scotland's continued support for this work.

During detailed discussions, Management Team reflected on the proposed options and key areas for consideration including the impact of the EU withdrawal, resource, funding and fee income and welcomed the team's delivery of remote desktop auditing, using technology to overcome normal sources of evidence.

Management Team agreed Audit Scotland should seek to continue the EAFA audit work and would welcome a discussion with the UK audit agencies on the operating model of EAFA and future opportunities and development.

Following discussion, Management Team agreed a report would be scheduled to come to the Board at its meeting on 25 November 2020.

Action: **A report on audit of the European Agricultural Funds Accounts to come to the Board. (November 2020)**

Mark Roberts, Michael Oliphant and Alasdair Craik left the meeting.

9. Draft Audit Committee agenda: 4 November 2020

Management Team noted the draft agenda for the meeting of the Audit Committee on 4 November 2020.

10. Draft Management Team agenda: 27 October 2020

Management Team noted the proposed agenda for the meeting on 27 October 2020.

11. Any other business

There was no other business for discussion.

12. Date of next meeting

The next meeting of Management Team will take place on 27 October 2020.

Minutes



Management Team

Tuesday 27 October 2020, 9.30am

TEAMS Meeting

Present:

Diane McGiffen (Chair)

Stephen Boyle

Fraser McKinlay

Joy Webber (Minutes)

Apologies:

Fiona Kordiak

There in attendance:

Stuart Dennis, Corporate Finance Manager

Martin Walker, Associate Director, Corporate Performance and Risk

Simon Ebbett, Communications Manager

David Blattman, HR&OD Manager, Corporate Services

Sharon Kewley, Business Support Manager, Corporate Services

Carole Grant, Senior Audit Manager, Audit Services

Antony Clark, Audit Director, Performance Audit and Best Value

Brian Howarth, Audit Director, Audit Services

Susan Burgess, Assistant HR Manager, Corporate Services

Charlotte Anderson, L&D Consultant, Corporate Services

Elma Murray, Interim Chair of the Accounts Commission

Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting 13 October 2020

The draft minutes dated 13 October 2020 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Q2 Financial performance report

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the Q2 Financial performance report, copies of which had been previously circulated.

Stuart invited Management Team to discuss and note the financial report for the six months to 30 September 2020.

During discussion, Management Team noted the performance on completion of audits was better than anticipated and considered the risks and implications for the financial forecast to the year end. Stuart advised he would bring a further update to Management Team prior to consideration by the Board at its meeting on 24 November 2020. Management Team acknowledged that the planning for next year's audits was important in order to better understand the implications for resource and costs to deliver audit work.

Following discussion, Management Team welcomed the performance reported.

Stuart Dennis left the meeting.

3. Covid-19 updates

Martin Walker, Associate Director, Corporate Performance and Risk, Simon Ebbett, Communications Manager, David Blattman, HR&OD Manager, Sharon Kewley, Business Support Manager, Corporate Services, and Carole Grant, Senior Audit Manager, Audit Services, joined the meeting.

Verbal update

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

During discussion, Management Team noted the parliamentary debate scheduled later in the week on the implementation of the 5 tier system from 2 November 2020 and considered the impact this will have for colleagues.

Following discussion, Management Team welcomed the update.

Providing limited access to Covid-19 secure workplaces

Martin Walker introduced the Providing limited access to Covid-19 secure workplaces report, copies of which had been previously circulated.

Martin invited Management Team to agree the proposed criteria for limited access to secure workplaces, agree the process and proposed criteria and consider the risk assessment for limited on site work and next steps.

During detailed discussion, Management Team considered the personal risk assessment, proposed criteria and timeframe for limited access to secure workplaces. Management Team noted the review of alternative workspace options, including serviced office space, had been explored and discounted due to cost and contract implications as well as risks around continued maintenance of external Covid-secure workplaces.

Management Team reflected on the dynamically changing environment, the new tiers and different restrictions coming into force and acknowledged that while Audit Scotland's offices will remain closed until the end of 2020, agreed to a limited number of specific business critical access requests.

Following discussion, Management Team welcomed the report and the work by the team on the risk assessment, criteria and process and agreed that further communication be developed on the future reopening of offices in 2021, together with guidance around active travel and winter preparedness.

Martin Walker, Simon Ebbett, David Blattman, Sharon Kewley and Carole Grant left the meeting.

4. Management Team resourcing update

Antony Clark, Audit Director, Performance Audit and Best Value, and Brian Howarth, Audit Director, Audit Services, joined the meeting.

Antony Clark introduced the Management Team resourcing update report, copies of which had been previously circulated.

Brian Howarth and Antony Clark invited Management Team to note the update and provided further clarification on the respective resourcing models for Audit Services and Performance Audit and Best Value.

During detailed discussion, Management Team welcomed the changes adopted to manage resources in the short term and considered the forthcoming pressures to deliver section 22 reporting, final accounts and the pressure this will place on colleagues amidst concerns for wellbeing and the potential of reduced productivity. Turning to next year, Management Team highlighted the increased assurance which will be required following the additional public funding in response to the pandemic and the need to have built in sufficient capacity in order to respond to this over and above the existing work programme.

Following discussion, Management Team welcomed the update and agreed a further discussion be scheduled for next week's meeting to consider the future resourcing model, how to build capacity to support the increase in assurance required alongside the annual audit planning guidance and how this feeds into Audit Scotland's budget submission for 2021/22.

Action(s): A further discussion on resourcing to be scheduled for 3 November 2020.

Antony Clark and Brian Howarth left the meeting.

5. Integrated people strategy/workforce plan – update

David Blattman, HR&OD Manager, Susan Burgess, Assistant HR Manager and Charlotte Anderson, L&D Consultant joined the meeting.

David Blattman introduced the Integrated people strategy/workforce plan – update report, copies of which had been previously circulated.

David invited Management Team to consider the progress reported and welcomed any comments.

During detailed discussion, Management Team welcomed the proposed move to a people hub platform to provide a more dynamic tool to communicate key changes and sought clarification on how the people strategy integrates with the overall Strategic improvement programme.

Management Team reflected on the discussion at Item 4 of today's meeting and agreed Audit Scotland's overall people strategy required further development in order to support the future delivery of public audit in Scotland.

6. Staff handbook update

David Blattman introduced the Staff handbook update report, copies of which had been previously circulated.

David invited Management Team to discuss this proposal so that an appropriate approach to the staff handbook can be adopted and to consider the proposal to defer any further work on this project until March 2021.

Management Team considered the proposed deferral and agreed that in light of the pandemic a summary providing links to key guidance for colleagues would be appropriate as an interim step until the wider review was undertaken.

Following discussion, Management Team agreed for an amended report to be provided to the Remuneration and Human Resources Committee on 4 November 2020.

7. Diversity and equality progress update

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

David invited Management Team to consider and discuss the progress on developments, next steps and the roadmap for 2021.

During detailed discussion, Management Team considered the progress reported and discussed those selected partners Audit Scotland will work with as we develop our approach to enhance inclusivity. Management Team agreed wider engagement with other public sector organisations would be welcomed as an early step to aid our learning and development in this area.

Following discussion, Management Team welcomed the progress reported and agreed a revised report be submitted to the Remuneration and Human Resources Committee for its consideration on 4 November 2020.

Susan Burgess and Charlotte Anderson left the meeting.

8. Support review for the Accounts Commission

Elma Murray, Interim Chair of the Accounts Commission, joined the meeting

David Blattman introduced the Support review for the Accounts Commission report, copies of which had been previously circulated.

Elma Murray invited Management Team to note the updates provided on progress on the recommendations from the support review.

During discussion, Management Team considered the progress reported on the recommendations and next steps.

Following discussion, Management Team welcomed the report.

Elma Murray left the meeting.

9.–10. Confidential items

Items 9 and 10 are subject to a separate confidential minute.

11. Draft Remuneration and Human Resources Committee agenda: 4 November 2020

Management Team noted the draft agenda for the meeting of the Remuneration and Human Resources Committee on 4 November 2020.

David Blattman left the meeting.

12. Draft Accounts Commission agenda: 12 November 2020

Paul Reilly introduced the draft Accounts Commission agenda for 12 November 2020, copies of which had been previously circulated.

Management Team noted the agenda.

13. Draft Management Team agenda: 3 November 2020

Management Team noted the proposed agenda for the meeting on 3 November 2020.

14. Any other business

Diane McGiffen provided a summary of the Scottish Commission for Public Audit informal business planning meeting held on 26 October 2020.

15. Date of next meeting

The next meeting of Management Team will take place on 3 November 2020.

Minutes



Management Team

Tuesday 3 November 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

There in attendance:

Antony Clark, Audit Director, Performance Audit and Best Value
Brian Howarth, Audit Director, Audit Services
Martin Walker, Associate Director, Corporate Performance and Risk
Mark Taylor, Audit Director, Audit Services
Angela Canning, Audit Director, Performance Audit and Best Value
Gordon Smail, Audit Director, Performance Audit and Best Value
David Blattman, HR&OD Manager, Corporate Services
Stuart Dennis, Corporate Finance Manager
Simon Ebbett, Communications Manager
Gayle Fitzpatrick, Corporate Governance Manager
Derek Hoy, Audit Manager, Performance Audit and Best Value
Jillian Matthew, Senior Manager, Performance Audit and Best Value

1. Minutes of meeting 27 October 2020

The draft minutes dated 27 October 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Resourcing discussion

Antony Clark, Angela Canning, Gordon Smail, Audit Directors, Performance Audit and Best Value, Mark Taylor, Brian Howarth, Audit Directors, Audit Services, Martin Walker, Associate Director, Corporate Performance and Risk, David Blattman, HR&OD Manager and Stuart Dennis, Corporate Finance Manager, joined the meeting.

Diane McGiffen opened the discussion on resourcing and acknowledged Management Team's appreciation of the work already undertaken to understand and respond to resourcing needs, consideration of the future financial support required, reflected on how well colleagues have adapted to working virtually and invited attendees to consider the future shape and approach to delivering world class public audit in Scotland.

Management Team provided a summary of Board discussions with the Scottish Commission for Public Audit at their informal business planning meeting on 26 October 2020 and sessions with the Public Audit and Post Legislative Scrutiny Committee on the implications for public audit arising from the pandemic.

There followed a wide ranging and detailed discussion on how Audit Scotland prepares for and responds to the future demands of delivering quality public audit including the wellbeing and support for colleagues, recruitment and onboarding, investment and training in people and skills and the

ability to source external expertise, digital audit, building capacity for managers to coordinate and manage an agile workforce together with future financial stability and the development of short and longer term budget and future operating model options.

Management Team agreed a number of next steps including further development of the budget proposal for 2021/22 to reflect today's discussion around the additional resource required together with the development of medium and longer term financial models and the commencement of a recruitment campaign to build capacity and skills.

Following discussion, Management Team expressed their appreciation to colleagues for their respective contributions.

Antony Clark, Brian Howarth, Martin Walker, Mark Taylor, Angela Canning, Gordon Smail, and David Blattman left the meeting.

3. 2020/21 Spring Budget Revisions Board report

Stuart Dennis introduced the 2020/21 Spring Budget Revisions Board report, copies of which had been previously circulated.

Stuart invited Management Team to consider the two submissions in the report prior to consideration by the Board at its meeting on 25 November 2020.

Management Team welcomed the report and agreed to share any comments on the proposals by correspondence.

Action(s): Management Team to share comments on the Spring Budget Revision reports by correspondence. (November 2020)

Stuart Dennis left the meeting.

4. Covid-19 updates

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 First Minister was due to provide an update later the same day on the potential application of the furlough scheme in Scotland, tomorrow's MP's vote in Westminster on the proposed lockdown in England together with developments of the first trial of citywide testing due to commence in Liverpool.

David Blattman advised one of Audit Scotland colleagues had tested positive for Covid-19 and Management Team expressed their best wishes for a speedy recovery.

Following discussion, Management Team welcomed the discussion and agreed with the proposal for further engagement with colleagues in the lead up to the festive period.

Following discussion, Management Team welcomed the update.

Simon Ebbett and David Blattman left the meeting.

5. 2020/21 Q2 Corporate performance report

Gayle Fitzpatrick, Corporate Governance Manager, Corporate Performance Officer, joined the meeting.

Gayle Fitzpatrick introduced the 2020/21 Q2 Corporate performance report, copies of which had been previously circulated.

Gayle invited Management Team to review the performance in quarter two and consider whether any additional management action was required.

During discussion, Fraser McKinlay provided an update on performance information from Performance Audit and Best Value which would be incorporated into the report prior to consideration by the Board at its meeting on 25 November 2020.

Management Team reflected that while some areas remain red, progress continues at pace and agreed a number of amendments prior the report being submitted to the Board.

Following discussion, Management Team welcomed the progress reported and acknowledged colleagues' continued commitment and performance.

Martin Walker and Gayle Fitzpatrick left the meeting.

6. Annual audit planning conference agenda: 18 November 2020

Gordon Smail, Audit Director, Performance Audit and Best Value joined the meeting.

Gordon Smail introduced the Annual audit planning conference agenda for 18 November 2020, copies of which had been previously circulated.

During discussion, Management Team considered the proposed agenda and agreed an invitation be extended to senior managers to attend this year's virtual conference.

Following discussion, Management Team welcomed the report.

Gordon Smail left the meeting.

7. Island Communities Impact Assessments Guidance and Toolkit Consultation response

Derek Hoy, Audit Manager, Performance Audit and Best Value, and Jillian Matthew, Senior Manager, Performance Audit and Best Value, joined the meeting.

Jillian Matthew introduced the Island Communities Impact Assessments Guidance and Toolkit Consultation response report, copies of which had been previously circulated.

Jillian invited Management Team to note the draft consultation response on behalf of the Auditor General for Scotland and Accounts Commission and to approve the draft response.

During discussion, Management Team considered the response, noting and agreeing with the concerns around the level of consultation in this area. Management Team welcomed the inclusion of the graphic and agreed a number of amendments to the response.

Following discussion, Management Team welcomed the report.

Derek Hoy and Jillian Matthew left the meeting.

8. Leadership Group agenda: 16 November 2020

Management Team agreed the draft agenda for the meeting of Leadership Group on 16 November 2020.

9. Draft Management Team agenda: 10 November 2020

Management Team noted the proposed agenda for the meeting on 10 November 2020.

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 10 November 2020.

Minutes



Management Team

Tuesday 10 November 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

There in attendance:

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
Tracey Bray, Senior Business Partner, Organisational Development
Charlotte Anderson, L&D Consultant
Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting 3 November 2020

The draft minutes dated 3 November 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Budget Proposal 2021/22

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the Budget Proposal 2021/22 report, copies of which had been previously circulated.

Stuart invited Management Team to note the proposal was based on previous reporting to the Board and following discussions around capacity and resourcing.

During detailed discussion, Management Team considered the budget proposal including the management contingency and capital spend elements and whether this provided sufficient flexibility to accommodate the projected increase in costs to enable public audit in Scotland to respond to new audit risks, while maintaining audit quality and stability in the fee regime.

Following discussion, Management Team agreed to share any detailed comments on the draft budget prior to considering a final draft at its meeting next week.

Stuart Dennis left the meeting.

3. EU Withdrawal verbal update

Mark Roberts, Audit Director, Performance Audit and Best Value and Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.

Mark Roberts provided a verbal update on developments in relation to EU withdrawal.

During discussion, Management Team noted the progress reported with consideration of the UK internal market bill ongoing and the timeline remaining to reach and ratify any withdrawal agreement. Mark advised of further engagement with the Scottish Government early in December.

Following discussion, Management Team welcomed the update and agreed a communication be shared with colleagues in December.

Diane McGiffen advised Management Team that a business continuity exercise was scheduled in December on possible scenarios arising from EU withdrawal.

Mark Roberts left the meeting.

4. Covid-19 updates

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 reflected on the news of a vaccine and proposed rollout and noted there was little change to regional tiers currently in place with reports that the measures were helping.

Diane advised of discussions at the Health, Safety and Wellbeing Committee on Monday 9 November to provide further support to managers to enable wellbeing conversations to take place with colleagues.

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 Corporate Governance Review of Board arrangements report, copies of which had been previously circulated.

Gayle invited Management Team to note the proposed scope for the review and agree, subject to any required amendments, it be submitted to the Board for its consideration on 25 November 2020.

During discussion, Management Team agreed the inclusion of additional wording in relation to minuting of public and private meetings and sought clarification on the scope and responsibility for the review of public audit in Scotland.

Following discussion, Management Team welcomed the report and subject to amendment agreed its submission to the Board.

Martin Walker and Gayle Fitzpatrick left the meeting.

6. Best Companies survey 2021

Tracey Bray, Senior Business Partner, Organisational Development, Charlotte Anderson, L&D Consultant and David Blattman, HR&OD Manager, joined the meeting.

Tracey Bray introduced the Best Companies survey 2021 report, copies of which had been previously circulated.

Tracey invited Management Team to consider the timetable and core survey process, before opening a discussion to explore options for getting the best from the results to support workforce engagement.

During discussion, Management Team welcomed the recommendation to focus on re-engaging with teams on the Team Engagement Pulse Index.

Following discussion, Management Team highlighted a number of other surveys which were scheduled to run in early 2021 and agreed Tracey would liaise with Professional Support and Communications to ensure the timings of these were managed, with a communication to advise colleagues in December about how we will be looking to engage with them over the next few months.

Tracey Bray, Charlotte Anderson and David Blattman left the meeting.

7. Draft Accounts Commission committee agendas: 26 November 2020

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

Paul Reilly introduced the draft Accounts Commission committee agendas for 26 November 2020, copies of which had been previously circulated.

Management Team noted the proposed agendas and asked whether a joint meeting of both committees was considering the Interim report of Audit Quality report. Paul advised he was liaising with the respective Chairs to accommodate this.

Management Team noted the agendas.

Paul Reilly left the meeting.

8. Draft Board agenda: 25 November 2020

Management Team noted the draft agenda for the meeting of Audit Scotland Board on 25 November 2020.

9. Draft Management Team agenda: 17 November 2020

Management Team noted the proposed agenda for the meeting on 17 November 2020.

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 17 November 2020.

Minutes



Management Team

Tuesday 17 November 2020, 9.30am

TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

There in attendance:

Stuart Dennis, Corporate Finance Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager
David Blattman, HR&OD Manager, Corporate Services
Gordon Smail, 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
David Robertson, Digital Services Manager
Elaine Boyd, Associate Director, Audit Quality and Appointments

1. Minutes of meeting 10 November 2020

The draft minutes dated 10 November 2020 were considered and Management Team agreed that these were an accurate record of the meeting.

2. 2021/22 SCPA Budget proposal and fee setting

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2021/22 SCPA Budget proposal and fee setting report, copies of which had been previously circulated.

Stuart invited Management Team to consider the budget proposal prior to its submission to the Board for its consideration on 25 November 2020.

During discussion, Management Team agreed that Stuart would liaise with the Audit Quality and Appointments team to bring a report with further analysis on potential fee movements.

Following discussion, Management Team welcomed the report and agreed its submission to the Board following the inclusion of any additional comments.

Action(s): **Stuart Dennis to liaise with Audit Quality and Appointments to bring a report with analysis on potential fee movements. (December 2020)**

3. Covid-19 updates

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

Martin Walker introduced the Covid-19 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 and considered the update report to the Board.

During discussion, Management Team noted Parliament's consideration and forthcoming announcement in relation to any changes in regional restrictions, in particular the potential introduction of Tier 4 restrictions and reflected on the impact this will have for colleagues.

Following discussion, Management Team welcomed the update and agreed the inclusion of the link to the planning guidance in the Board report prior to its submission.

4. Strategic improvement programme

Gordon Smail, Audit Director, Performance Audit and Best Value, Gemma Diamond, Audit Director, Mark Roberts, Audit Director, Performance Audit and Best Value and David Robertson, Digital Services Manager, joined the meeting.

Strategic improvement programme proposal

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

Martin invited Management Team to consider the objectives, structure and content of the programme, to discuss the approach to communications, and to approve the proposed governance and reporting arrangements.

During detailed discussion, Management Team considered the ambition, scope, governance arrangements, timelines, the key core messages, opportunities and proposed communications of the overall strategic improvement programme, recognising the interconnectivity with a number of ongoing discussions in relation to building capacity, the 2021/22 budget submission and longer term financial planning, digital strategy and audit methodology.

Following discussion, Management Team welcomed the detailed report and the agreed some refinement to the report prior to its submission to the Board.

Martin opened a discussion on the connected strategies.

Audit methodology and Digital auditing

Gordon Smail invited Management Team to consider the ambition to modernise the audit approach across the organisation, utilising any efficiencies from digital auditing while ensuring it meets auditing standards.

Mark Roberts provided an update on progress with the digital audit strategy since the previous update to Management Team in August 2020.

During discussion, Management Team reflected on the links between the projects, noted external engagement on developing platforms and welcomed the focus on training to build skills and capacity, before discussing the team and requirements for any additional resource and/or expertise required, communications of opportunities, the proposed governance arrangements and the timescales of deliverables.

Following discussion, Management Team welcomed the ambition and innovation of the strategy and advised that they were broadly content while recognising the need to build resource to ensure delivery of the digital audit approach and suggested a different approach to timescales.

Digital Services Strategy 2021-2024

David Robertson introduced the Digital Services Strategy 2021-2024 presentation, copies of which had been previously circulated.

David highlighted the key messages from the presentation.

During discussion, Management Team welcomed the ambition of the strategy, recognising security is key. Management Team reflected on the transformation achieved in response to the pandemic to support a dispersed organisation and noted the proposed digital infrastructure, equipment and skills required to deliver the future strategy.

Management Team confirmed their overall agreement and agreed that the digital strategy for the Accounts Commission should also meet with existing and future security requirements.

Following discussion, Management Team welcomed the report, presentations and contribution.

Martin Walker, Gemma Diamond, Mark Roberts, David Robertson, Simon Ebbett, and David Blattman left the meeting.

5. Audit Quality Committee update

Elaine Boyd, Associate Director, Audit Quality and Appointments, joined the meeting.

Fiona Kordiak introduced the Audit Quality Committee update report, copies of which had been previously circulated.

Fiona highlighted the key messages from the presentation and Management Team considered the results from previous quality reviews, engagement and development of the future strategy for engaging with partners and institutes, with communication internally and externally while recognising the resource required to meet future quality standards.

During discussion, Management Team noted that further discussion was required around the publication of quality outputs, welcomed the value of engagement with other agencies and links to the international programme and took assurance from the robust arrangements in place.

Elaine Boyd provided oversight of the proposed independent review by ICAS which will be reflected to demonstrate audit quality which will be reported in due course.

Following discussion, Management Team welcomed the presentation and agreed a further discussion on the proposed programme of independent review would follow.

Gordon Smail and Elaine Boyd left the meeting.

6. Draft Management Team agenda: 24 November 2020

Management Team noted the proposed agenda for the meeting on 24 November 2020.

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 24 November 2020.

Minutes



Management Team

Tuesday 24 November 2020, 10am

TEAMS Meeting

Present:

Diane McGiffen (Chair)

Stephen Boyle

Fiona Kordiak

Fraser McKinlay

Lorna McEwan (Minutes)

Apologies:

There were no apologies.

There in attendance:

Mark Taylor, Audit Director, Audit Services

Antony Clark, Audit Director, Performance Audit and Best Value

John Gilchrist, Manager, Audit Quality and Appointments

Gordon Smail, Audit Director, Performance Audit and Best Value

Elaine Boyd, Associate Director, Audit Quality and Appointments

Martin Walker, Associate Director, Corporate Performance and Risk

Simon Ebbett, Communications Manager

David Blattman, HR&OD Manager, Corporate Services

Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting 17 November 2020

The draft minutes dated 17 November 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Confidential item

Item 2 is subject to a separate confidential minute.

3. Managing responses to external consultation exercises and calls for evidence from Parliamentary Committee

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

Antony Clark introduced the Managing responses to external consultation exercises and calls for evidence from Parliamentary Committee report, copies of which had been previously circulated.

Antony invited Management Team to consider the current guidance and to consider any changes they would like made to the current and proposed reporting arrangements.

During discussion, Management Team agreed that a separate line of reporting to Management Team in respect of external consultations, would not be necessary due to the robust corporate reporting system already in place for capturing this information. It was further agreed that the current guidance on managing responses to external consultation exercises and calls for evidence from Parliamentary Committees, was in need of a refresh to provide clarity around timelines, indicative responses etc following which and the updated guidance would be promoted within the organisation.

Management Team was supportive of the promotion of our responses to consultation both internally and externally, via SPO and social media.

Management Team welcomed the discussion.

Antony Clark left the meeting.

Action: Diane McGiffen to suggest some revisions to the guidance.
(December 2020)

4. NIAO New code of audit practice

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

John Gilchrist introduced the NIAO New code of audit practice report, copies of which had been previously circulated.

John invited Management Team to consider and approve the draft response to be considered by the Accounts Commission on 10 December 2020.

Management Team welcomed the report and subject to minor revision, approved the draft response.

John Gilchrist left the meeting.

5. Audit Quality discussion (continued)

Gordon Smail, Audit Director, Performance Audit and Best Value and Elaine Boyd, Associate Director, Audit Quality and Appointments, joined the meeting.

Gordon Smail introduced the Audit Quality discussion report, copies of which had been previously circulated and discussed at the meeting on 17 November 2020.

During discussion, Management Team reflected on the opportunities, challenges and questions that we will face in the coming year. Management Team acknowledged the challenges faced by tight timescales, namely, the desirability of keeping with the June 2021 deadline for our suite of annual reporting, as agreed by the Audit Quality Committee in July 2020.

Management Team acknowledged the deadlines for proposed financial audit training (January/February 2021) and May 2021 for ICAS quality reviews and as a consequence it was proposed to reduce the number of internal cold reviews and independent undertaken reviews by ICAS. Management Team noted the number of cold reviews proposed by the firms.

A discussion followed on the regime for selecting cold review audits and the need to ensure that our requirements under the new quality standards fit well with this. Consequently, this would be combined into ISQM1 and ISQM2 work.

Fiona Kordiak highlighted the opportunities and challenges faced by bringing new colleagues onto the team and Management Team noted the proposal to refresh the audit quality review team this year.

Management Team welcomed the update.

Gordon Smail and Elaine Boyd left the meeting.

6. Covid-19 updates

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 agreed that the uncertainty surrounding travelling restrictions would be considered at the meeting of IMT on Thursday 26 November.

Following discussion, Management Team welcomed the update.

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

7. Brexit business continuity exercise

Management Team noted the business continuity exercise would follow at the conclusion of this meeting. Management Team noted this was a facilitated session and the findings from this would be reported in due course.

8. Draft Audit Partners agenda: 7 December 2020

Diane McGiffen invited Management Team to consider the topics for discussion at the forthcoming meeting of the Audit Partners on 7 December 2020.

Following discussion, it was agreed that the meeting would be postponed until early 2021.

Action: **Audit Partners meeting scheduled for 7 December to be rescheduled.**
(December 2020)

9. Draft Accounts Commission agenda: 10 December 2020

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

Paul Reilly introduced the draft Accounts Commission agenda for 10 December 2020, copies of which had been previously circulated.

Management Team noted the agenda.

Paul Reilly left the meeting.

10. Draft Management Team agenda: 1 December 2020

Management Team noted the proposed agenda for the meeting on 1 December 2020 and it was agreed that the Hotlist and Statutory reporting log would be considered as 2 separate items.

11. Any other business

A short discussion followed on our submission to the SCPA.

12. Date of next meeting

The next meeting of Management Team will take place on 1 December 2020.

Minutes

Management Team



Tuesday 1 December 2020, 9.30am
TEAMS Meeting

Present:

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

Apologies:

Diane McGiffen

There in attendance:

David Blattman, HR&OD Manager, Corporate Services
Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager
John Cornett, Audit Director, Audit Services
John Gilchrist, Manager, Audit Quality and Appointments
Gayle Fitzpatrick, Corporate Governance Manager

1. Minutes of meeting 24 November 2020

The draft minutes dated 24 November 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2.-3. Confidential items

Items 2 and 3 are subject to a separate confidential minute.

4. Covid-19 updates

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 recent announcements of payments for healthcare workers and children and the anticipated announcement following a review of the local restrictions later in the day.

Management Team reflected on the ongoing impact for colleagues in the lead up to and following the festive period and agreed to consider this further at Thursday's meeting of IMT.

Following discussion, Management Team welcomed the update.

Martin Walker and David Blattman left the meeting.

5. Communications digest

John Cornett, 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 note the key highlights including forthcoming reporting and preparation of media messages.

During detailed discussion, Management Team reflected on the news of retailers failing, developments in relation to EU withdrawal and considered the forthcoming Scottish Parliamentary elections.

Following discussion, Management Team noted the report and welcomed the discussion.

6. Hotlist of emerging audit risks

John Cornett introduced the Hotlist of emerging audit risks report, copies of which had been previously circulated.

John invited Management Team to agree any action that is needed in response to the issues identified and the material presented.

During discussion, Management Team considered the key issues highlighted and agreed that the impact of Covid-19 in terms of service delivery and financial outlook for audited bodies will become clearer in 2021.

Following discussion, Management Team welcomed the report.

7. Statutory report log

John Cornett introduced the Statutory report log, copies of which had been previously circulated.

John invited Management Team to consider the log which had been updated to reflect the current statutory reporting.

During discussion, Management Team welcomed the assurance provided that there was no indication of a significant increase in statutory reporting and acknowledged colleagues continued support of this work. In terms of process, Management Team agreed a number of updates to the report which would then be shared with engagement leads.

Following discussion, Management Team agreed they would welcome a review of the process and receive a report on statutory reporting earlier in the year.

Simon Ebbett and John Cornett left the meeting.

8. 2020/21 Fee setting update

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

John Gilchrist introduced the 2020/21 Fee setting update report, copies of which had been previously circulated.

John invited Management Team to note the proposed fee increase of 2.5% applied to 2020/21 audits. Management Team were also invited to consider the data regarding the audited bodies which will have fee movements different to the sectoral average increase.

During detailed discussion, Management Team considered the proposed fee increase of 2.5% for 2020/21 audits and the individual proposals for reduced or increased fees out with the average sector range, noting the engagement which has taken place with auditors in relation to the fees and planning in order to anticipate where additional audit work may be required.

Management Team discussed the process for reviewing fees under the existing fees and funding strategy noting that Audit Scotland has a legal responsibility to charge for audit work carried out on behalf of Auditor General for Scotland and the Accounts Commission. Management Team noted the Board's role in approving fees which was critical to Audit Scotland's overall budget proposal.

Management Team considered the publication of information and the forthcoming engagement with the Auditor General for Scotland and the Accounts Commission. Management Team agreed further engagement was required with audited bodies prior to the issue of fee letters.

Following discussion, Management Team noted the report.

John Gilchrist left the meeting.

9. Unacceptable actions policy: Biennial review

Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Gayle Fitzpatrick introduced the Unacceptable actions policy: Biennial review report, copies of which had been previously circulated.

Gayle invited Management Team to approve the unacceptable actions policy for a further two years.

Management Team considered the amendments made to strengthen the policy and following discussion approved the unacceptable actions policy for a further two years. Stephen Boyle, Auditor General for Scotland also confirmed his support for the updated policy.

Gayle Fitzpatrick left the meeting.

10. Draft Management Team agenda: 8 December 2020

Management Team noted the proposed agenda for the meeting on 8 December 2020.

11. Any other business

There was no other business for discussion.

12. Date of next meeting

The next meeting of Management Team will take place on 8 December 2020.

Minutes



Management Team

Tuesday 8 December 2020, 10.00am

TEAMS Meeting

Present:

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

Apologies:

There were no apologies.

There in attendance:

Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager
David Blattman, HR&OD Manager, Corporate Services
Sharon Kewley, Business Support Manager
John Gilchrist, Manager, Audit Quality and Appointments

1. Minutes of meeting 1 December 2020

The draft minutes dated 1 December 2020 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Covid-19 updates

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 including the news of vaccinations having commenced in Scotland.

Management Team agreed this was welcome news.

Covid-19 office access

Sharon Kewley, Business Support Manager, joined the meeting.

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

Martin invited Management Team to consider and agree the recommendations in the report, relating to the continued closure of Audit Scotland offices, further scheduled review points on the reopening of offices and the updated criteria for business-critical access to the offices and options for access to the office and audit sites in the medium term.

During detailed discussion, Management Team agreed to keep Audit Scotland's offices closed until 19 April 2021 which is consistent with other public sector organisations and continues our approach

to put the health, safety and wellbeing of colleagues first. Management Team considered the criteria for business critical matters and agreed this required to be updated in line with Tier restrictions. Looking ahead, Management Team welcomed the ongoing engagement with building landlords and early consideration of protection measures and additional guidance required as and when offices and audit sites can reopen.

Following discussion, Management Team welcomed the report and agreed a communication would be shared with colleagues to advise that offices will remain closed until 19 April 2021.

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

3. Draft Management Team agenda: 15 December 2020

Management Team noted the proposed agenda for the meeting on 15 December 2020 and agreed an update on the recruitment strategy would be welcomed.

4. Any other business

White Ribbon campaign

Management Team advised of their support for the campaign.

National Taskforce for Human Rights

Management Team considered the request for Audit Scotland's involvement on the executive board. Diane McGiffen advised of previous engagement with the Human Rights Commission and proposed being involved as an observer. Following discussion, Management Team agreed and to review the position again in 2021.

Audit fees update

John Gilchrist joined the meeting.

Further to the discussion at the meeting of Management Team on 8 December 2020, Management Team agreed that the inflationary increase applies to all audited bodies and where fee increases are above the average sector range, further engagement with the auditors and audited bodies was required to agree fees on a case by case basis following consideration by the Accounts Commission at its meeting on Thursday 10 December 2020.

Following discussion, Management Team agreed a report would be scheduled early in 2021 on the timeline and process for reviewing and agreeing fees.

Action(s): John Gilchrist to bring a report on the timeline and process for reviewing audit fees in 2021/22. (January 2021)

John Gilchrist left the meeting.

5. Date of next meeting

The next meeting of Management Team will take place on 15 December 2020.