

# Architecture & Design Scotland

Ailtèarachd is Dealbhadh na h-Alba

## **ARCHITECTURE & DESIGN SCOTLAND MINUTES OF AUDIT COMMITTEE MEETING**

**Bakehouse Close, Canongate, Edinburgh**

**10.30 am on Monday 4 June 2018**

**Present:** Sue Evans, Chair (SE), Andy Burrell (AB), Sandy Beattie (SB)

**Staff:** Jim MacDonald (JMacD), Lynne Lineen (LL), Sue Reynolds (SR),  
Andrea Hepburn (AH - Minutes)

**Guests:** Mark Ferris (MF), Audit Scotland and Louise Carmichael (LC), TIAA

### **1 APOLOGIES**

Apologies were received from Graham Hill & Karen Anderson.

### **2 MINUTES OF MEETING ON 12 FEBRUARY 2018 & MATTERS ARISING**

The Minutes of the previous Meeting were AGREED.

The updates on the action points were noted – the new format for tracking actions was welcomed.

### **3. CEO QUARTERLY GOVERNANCE STATEMENT**

The CEO Governance Statement was tabled. SR advised that the sickness update from the actions of the previous meeting was contained in section 8. It was requested that we do an annual comparison of our sickness statistics compared to other organisations.

**ACTION 1: Compare A&DS sickness statistics against other similar organisations on an annual basis.**

It was noted under health and safety that the extension sockets at the Lighthouse have been replaced with new ones. The Edinburgh office now have a defibrillator and nine staff members have been trained how to use it. SB asked if the Glasgow office would be getting a defibrillator. JMacD/SR advised that we have approached GCC who don't have a policy for putting defibrillators in place. An update will be provided if it is felt A&DS should independently acquire a defibrillator for Glasgow.

The Report was NOTED.

### **4. MANAGEMENT ACCOUNTS Q4 2017/18 TO 31 MARCH 2018**

#### Income

The total budgeted income for 2017/18 was £2,105,000.

## Expenditure

The total actual spend for the period to 31 March 2018 was £1,794,000 representing 85% of total income.

A further £226,000 of expenditure was committed by Purchase Orders at 31 March 2018 (11%).

Within the committed expenditure of £226,000 is an amount of £50,000 in respect of the dilapidation provision for the office property at 9 Bakehouse Close. The accounting treatment of this has been agreed with Audit Scotland and reflects the provision agreed to ensure funds are available to complete contractual dilapidations and repairs at the end of the lease including an inflationary amount of £7,000.

The Scotland + Venice project has had approval from Scottish Government to carry forward £40,000 of grant monies into 2018/19 to pay for the costs of the project which was held in Venice in May 2018.

## Net Income less Spend and Committed

The total net income not spent or committed at 31 March 2018 was £85,000, which represents 4% of our total income. Of this £40,000 relates to Scotland + Venice and will be carried forward to be spent in 2018/19 with approval from Scottish Government.

The Report was NOTED.

## **5. INTERNAL AUDIT PROPOSAL TO MARCH 2020**

TIAA's Internal Audit Proposal was presented by LC and included what had been covered over the last three years along with internal audit proposals for the next two years. It was proposed that 2018/19 will audit Corporate Performance Management and Staff Performance Reviews, and then 2019/20 will audit Project Management and the Office 365 implementation.

LC clarified that Cybercrime and GDPR are highlighted as high risk because this is standard for all TIAA's clients as GDPR has just come into force and Cybercrime risks have been identified as a risk for all organisations.

LL updated Audit Committee that HMRC has decided that the Forestry Commission grant letter in relation to the materials library which they were investigating should be treated as a grant and not services provided, therefore there is no requirement to account for VAT.

HMRC advised that every grant letter must be considered and assessed individually to determine whether it is a grant or services provided on which VAT is chargeable. Audit Committee proposed including VAT issues within Internal Audit Plan for 2019/20.

LL advised that A&DS will have approximately £6k of VAT to pay to HMRC for overseas goods. This has been provided for in the financial statements to 31 March 2018.

### **ACTION 2: VAT risks to be added to Internal Audit Plan for 2019/20.**

LL advised that the A&DS Corporate Values have been established and communicated to all staff, and the recent Staff Survey was structured around these. It was requested that the A&DS Corporate Values are circulated round the Board.

### **ACTION 3: A&DS Corporate Values to be circulated round the Board.**

The Internal Audit Proposal for 2018/19 and 2019/20 was AGREED.

## 6. STRATEGIC & CORPORATE RISK REGISTERS

SR advised that the Corporate Risk Register has been updated and all risks have been amended – the next step is to tie these into the focus areas in the Corporate Strategy.

There were no comments on the Strategic Risk Register and JMacD advised that we are seeing the impacts of the mitigations which are bringing the level of risks down.

The Reports were both NOTED.

## 7. DATA MANAGEMENT/GDPR PROJECT UPDATES

We have now had an initial response back from the Keeper of the National Records of Scotland regarding our Records Management Plan (RMP) which we submitted for approval in October 2017.

The initial response from NRS indicated that our RMP was very strong with only one small clarification required on sharing information to indicate this item was not relevant for A&DS.

We revised the submission and re-sent it to NRS and are currently awaiting formal approval of the RMP.

### **ACTION 4: Audit Committee to be updated once formal approval of RMP received from NRS**

We recognise that the RMP has identified work still to be done which the implementation of Office 365 will progress in due course.

SE and the Audit Committee thanked LL and SR for the hard work in preparing the RMP and congratulated them on the excellent feedback from the Keeper.

The Committee had an update on GDPR and Data Management good practice for storing of papers and sending emails. Guidance will also be sent round to all Board Members.

The Report was NOTED.

## 8 REVIEW OF AUDIT COMMITTEE'S TERMS OF REFERENCE

SE advised that it is good practice to review the Audit Committee's Terms of Reference regularly.

A revised draft Audit Committee Terms of Reference was tabled with the two following proposed updates:

- a) the Chair of the Board cannot be a Member or Chair of Audit and;
- b) to formally propose the review of the Audit Committee Terms of Reference every two years.

The changes were APPROVED and will be formally tabled at the next Board Meeting.

### **ACTION 5: Revised Terms of Reference for Audit Committee to be tabled at the next Board Meeting for approval.**

**9. ANY OTHER BUSINESS**

Date of next Meeting

This is scheduled for August 2018 – as it coincides with the Board/Staff Away Day the timings will be slotted in around the schedule for the day.

The Meeting closed at 11.55 am.

Signed:.....

**SUE EVANS, CHAIR, AUDIT COMMITTEE**

Date:.....

# Architecture & Design Scotland

Ailtearachd is Dealbhadh na h-Alba

## **ARCHITECTURE & DESIGN SCOTLAND**

### **MINUTES OF AUDIT COMMITTEE MEETING (32)**

**Bakehouse Close, Canongate, Edinburgh**

**09.30 am on Monday 10 September 2018**

**Present:** Sue Evans, Chair (SE), Andy Burrell (AB), Sandy Beattie (SB), Kirsty Macari (KM), Karen Anderson (KA)

**Staff:** Jim MacDonald - (JMacD - part), Lynne Lineen (LL), Val MacBeath (VM - Minutes)

**Guests:** Mark Ferris (MF), Audit Scotland

#### **1. APOLOGIES**

Apologies were received from Graham Hill and Sue Reynolds.

SE welcomed KM and VM (Minutes).

#### **2. MINUTES OF MEETING ON 4 JUNE 2018 & MATTERS ARISING**

The Minutes of the previous Meeting were AGREED.

#### **3. CEO QUARTERLY GOVERNANCE STATEMENT**

The CEO Quarterly Governance statement was presented to Audit Committee. There were no issues of concern highlighted in the paper.

SE noted a marked improvement in sickness absence in comparison to last year. LL reported separating short-term and long-term absences allows a more meaningful comparison.

LL noted the data breach by our payroll provider SSCL had been dealt with and measures have been put in place to ensure it did not happen again.

The Report was NOTED.

#### **4. ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

SB joined the meeting.

The Annual Report and Accounts for the year ended 31 March 2018 were presented to the Audit Committee who were invited to review the Annual Report and Accounts and agreed they should be recommended to the Board to formally approve.

It was noted that the previous year's figures in the Accounts were restated due to a change in Accounting Policy in relation to non-current assets which was agreed with Audit Scotland. This meant that no single capital item below a cost of £5k would be capitalised and hence would not be depreciated.

The Annual Report and Accounts for the year ended 31 March 2018 was ACCEPTED.

Audit Committee RECOMMEND the Board formally approve the Annual Report & Accounts to 31 March 2018

**ACTION 1: Audit Committee to RECOMMEND the Board formally approve the Annual Report & Accounts to 31 March 2018**

SE and the board members present thanked LL and CST for their work on the Annual Report and Accounts.

JMacD left the meeting.

**5. AUDIT SCOTLAND ANNUAL AUDIT REPORT FOR YEAR ENDED 31 MARCH 2018**

Audit Scotland presented its 2017/18 Annual Audit Report. The key messages of the Audit Scotland report were as follows:

*"2017/18 annual report and accounts*

- 1 In our opinion Architecture and Design Scotland's financial statements give a true and fair view and were properly prepared and, expenditure and income was in accordance with applicable enactments and guidance.*
- 2 The audited part of the Remuneration and Staff Report, Performance Report and Governance Statement were all consistent with the financial statements.*
- 3 A prior year restatement has been processed due to a material change in Architecture and Design Scotland's accounting policy for non-current assets.*

*Financial sustainability and governance statement*

- 4 A surplus of £70,158 was generated in 2017/18 against the targeted breakeven position.*
- 5 Reserves of £238,230 have been generated over several years. To support effective financial planning and efficient use of resources Architecture and Design Scotland should implement a reserves policy.*
- 6 The Management Statement and Financial Memorandum should be reviewed and updated, and management should ensure that Architecture and Design Scotland comply with the requirements.*
- 7 Architecture and Design Scotland should review the content of the Performance Report and Governance Statement to improve the information presented.*
- 8 The unaudited annual report and accounts should be approved for issue by the Board, prior to submission to external audit."*

LL reported A&DS will consider best practice within the public sector and will then develop a Reserve Policy working with our Scottish Government (SG) Sponsor, Audit Committee and Board.

**ACTION 2: Develop a Reserves Policy with SG, Audit Committee and Board**

LL also reported that we have contacted our SG Sponsor who has agreed to review and update the Management Statement and Financial Memorandum by 31 March 2019.

### **ACTION 3: SG Sponsor to review and update the Management Statement and Financial Memorandum**

Audit Scotland recognised that the A&DS Annual Report and Accounts complied with the Companies Act and the FReM, however they recommended that A&DS consider examples of best practice and improve the quality of the information presented in the Performance Report.

Audit Committee noted that in addition to the Annual Report and Accounts, A&DS also creates a separate illustrated report of A&DS activities in the Annual Review which is produced on a calendar year basis and is published annually on the A&DS website.

Audit Committee agreed A&DS should firstly identify the audiences for both the Annual Report and Accounts and the Annual Review, and understand the resource implications and any benefits of additional work to the Annual Report and Accounts. Audit Committee requested Management Team discuss the recommendation made by Audit Scotland and report back.

### **ACTION 4: Management Team to identify audience of both Annual Report and Accounts, and Annual Review. Management Team to consider how the presentation of the Performance Report can be improved whilst taking into account the audience and resources implications.**

In relation to the approval of the unaudited Annual Report and Accounts, LL agreed to ensure it is approved for issue by Audit Committee prior to submission to external audit.

### **ACTION 5: Unaudited Annual Report and Accounts for the year ended 31 March 2019 to be approved by Audit Committee for issue to Audit Scotland prior to the commencement of the annual audit.**

In relation to the FReM compliance re presentation of financial statements, Audit Scotland confirmed the FReM allows for alternative accounting treatment which had been approved by SG. Audit Scotland confirmed this issue no longer applied.

LL clarified the errors in accrual and prepayments related to travel and accommodation expenses for Venice paid before the year end but where the travel did not occur until just after the year end.

Audit Committee ACCEPTED Audit Scotland's Annual Audit report.

## **6. 2018/19 Q1 MANAGEMENT ACCOUNTS TO 30 JUNE 2018**

### Income

The total budgeted income for 2018/19 was £1,755,000.

### Expenditure

The total actual spend for the period to 30 June 2018 was £436,000 representing 25% of total income.

A further £979,000 of expenditure was committed by Purchase Orders at 30 June 2018 (56%).

A further £206,000 was approved expenditure by 30 June 2018 as per the Business Plan but Purchase Orders had not yet been raised as at 30 June 2018.

Rent expenditure for 2018/19 in relation to both the Edinburgh and Glasgow offices was prepaid in 2017/18. Committed expenditure in 2018/19 does not include any rent expenditure in 2018/19. The option to prepay rent is available to A&DS in 2018/19.

## Net Income less Spend and Committed

The total net income not spent or committed at 30 June 2018 was £134,000. This represents 8% of our total income.

**ACTION 6: Review the spend profile against previous years to highlight any trends particularly to identify if there is any slippage year on year.**

The current uncommitted grant income balance of £134,000 will be allocated to expenditure authorised by the Management Team and spent by 31 March 2019.

The Report was NOTED.

## **7. STRATEGIC AND CORPORATE RISK REGISTERS**

Audit Committee noted the Corporate Risk Register presented and requested Risk 3 - Pressure on Staff is reviewed to ensure it covers staff resources more broadly to ensure any risks are assessed where staff absences could impact on the ability of A&DS to deliver project work.

A revised format for the Strategic Risk Register (SRR) was presented to Audit Committee. The Management Team has reviewed the purpose of the Strategic Risk Register. The revised format shows the focus areas relating to the current three year strategy and ties in the risks associated with non-delivery of those focus areas, including mitigations and risk indicators.

There was a formatting error with the PDF and Audit Committee requested the SRR be reissued for information.

**ACTION 7: SRR to be re-issued to Audit Committee**

The Report was NOTED.

## **8. DATA MANAGEMENT UPDATE**

The Records Management Plan (RMP) submitted to the Keeper of the National Records of Scotland was formally approved on 6 June 2018.

As part of the Assessment Process, the Keeper identified if any elements are on an "improvement model" basis. This means that the Keeper is convinced of the authority's commitment to closing a gap in provision. He will request that he is updated as work on this element progresses.

The elements the Keeper assessed as on an "improvement model" basis are as follows:

- Business Classification;
- Destruction Arrangements;
- Archiving and Transfer;
- Audit Trail.

A&DS will continue to review these elements in light of the introduction of Microsoft Office 365 and will put in place an annual Progress Update Review to send to the Keeper.

A&DS also recognise the need to continue to engage with staff and plan further staff training.



The Committee had an update on GDPR and data management good practice for storing of papers and sending emails. Guidance will be sent to all Board members and included within the Induction Pack for new Board members.

**ACTION 8: GDPR/Data Management guidance to be sent to all Board members and included within the induction pack**

**9. ANY OTHER BUSINESS**

Date of next Meeting

This is scheduled for Monday 12 November 2018 at 9.30am in Bakehouse Close, Edinburgh.

SE thanked MF and CST.

The Meeting closed at 11.08 am.

Signed:.....

**SUE EVANS, CHAIR, AUDIT COMMITTEE**

Date:.....

# Architecture & Design Scotland

Ailtearachd is Dealbhadh na h-Alba

## **ARCHITECTURE AND DESIGN SCOTLAND**

### **MINUTES OF AUDIT COMMITTEE MEETING [33]**

**9 Bakehouse Close, 146 Canongate, Edinburgh**

**10.00 am on Monday 12<sup>th</sup> November 2018**

**Present:** Sue Evans, Chair (SE), Kirsti Macari (KM), Sandy Beattie (SB), Graham Hill (GH), Andy Burrell (AB), Ann Allen (AA) (attending as an observer)

**Staff:** Jim MacDonald (JMacD), Lynne Lineen (LL), Sue Reynolds (SR), Val MacBeath (VM)

**Guests:** Adam Haahr, Audit Scotland (AH)

#### **1. APOLOGIES**

There were no apologies.

#### **2. MINUTES OF MEETING ON 10 SEPTEMBER 2018 & MATTERS ARISING**

The minutes of the previous meeting were AGREED.

Completed actions were taken as read. LL updated on progress with the remaining actions.

#### **3. CEO QUARTERLY GOVERNANCE STATEMENT**

The CEO Quarterly Governance statement was presented to Audit Committee. There were no issues of concern highlighted in the paper.

JMacD reported that a date had yet to be confirmed for Aileen Campbell, Cabinet Secretary for Communities and Local Government, to meet with AA and also noted that it was unlikely at this stage for Fiona Hyslop to manage to schedule a trip to Venice.

JMacD, AA & SR would be meeting with Ian Gilzean and Public Appointments on 14<sup>th</sup> November 2018 to discuss Board Recruitment.

The Report was NOTED.

#### 4. 2018/19 Q2 MANAGEMENT ACCOUNTS TO 30 SEPTEMBER 2018

##### Income

The total budgeted income for 2018/19 was £1,805,000, including c/fwd from 2017/18 of £85,000 (2017/18 – total income £1,919,000).

##### Expenditure

The total actual spend for the six month period to 30 September 2018 was £804,000 representing 45% of total income (M7 2017/18 - £868,000 - 45% of total income).

A further £647,000 of expenditure was committed by Purchase Orders at 30 September 2018 representing 36% of total income (M7 2017/18 - £798,000 - 42%).

A further £272,000 was approved expenditure by 30 September 2018 as per the Business Plan but Purchase Orders had not yet been raised as at 30 September 2018 (M7 2017/18 £141,000).

Rent expenditure in relation to both the Edinburgh and Glasgow offices was prepaid in 2017/18. Committed expenditure in 2018/19 does not include any rent expenditure in 2018/19. The option to prepay rent is available to A&DS in 2018/19 utilising any underspend.

##### Net Income less Spend and Committed

The total net income not spent or committed at 30 September 2018 was £82,000. This represents 4.6% of our total income.

The current uncommitted grant income balance of £82,000 will be allocated to expenditure authorised by the Management Team and spent by 31 March 2019.

JMacD reported that the Management Accounts were reviewed and discussed at monthly Budget Review and Management Team meetings. Weekly summary reports were also circulated to all staff.

The report was NOTED.

#### 5. STRATEGIC AND CORPORATE RISK REGISTERS

Audit Committee noted the Corporate Risk Register (CRR). SR updated on the changes made since the last meeting.

SB requested that an additional risk is added to the CRR to capture the risk of the draft Annual Review and Accounts for the year ended 31 March 2019 not being complete by agreed deadlines due to earlier audit field work at the request of Audit Scotland.

**ACTION 1: Add risk of draft Annual Review and Accounts not being complete by agreed shortened deadline to the CRR**

SR confirmed there had been no updates to the Strategic Risk Register (SRR).

Both the CRR and SRR were APPROVED for presentation to the Board meeting.

## **6. INTERNAL AUDIT UPDATE**

SR spoke to the TIAA Audit Progress Report which detailed the areas which will be audited, planned dates and current status.

The areas being audited in 2018/19 are Corporate Performance Management and Staff Performance Reviews.

TIAA are preparing a paper with recommendations for JMacD and SR to review to be presented at Audit Committee in February 2019.

The update paper from TIAA was NOTED.

## **7. AUDIT SCOTLAND PRESENTATION**

Audit Scotland presented to the Audit Committee a summary of the role of Audit Scotland as Auditors of Public Sector bodies and specifically in respect of their role in relation to A&DS.

JMacD asked if Audit Scotland analysed trends within Public Bodies and provided feedback. AH stated he was not aware of a report that captured this information, however, he would check their audit reports which may contain information relevant to A&DS.

### **ACTION 2: AH to check previous audit reports and feedback to A&DS**

The presentation from Audit Scotland was NOTED.

## **8. ANY OTHER BUSINESS**

SB asked if the number of Board Members attending Audit Committee meetings could be reviewed. SR confirmed as per the Terms of Reference for Audit Committee, there must be a minimum of three Board members present for the meeting to be quorate. Currently five members of the Board are members of Audit Committee. It was noted AA is attending the meeting today in a non-voting capacity.

### **ACTION 3: Check Audit Committee Terms of Reference to review membership to ensure balance was appropriate.**

The meeting closed at 11:00.

Signed \_\_\_\_\_

**SUE EVANS, CHAIR, AUDIT COMMITTEE**

Date \_\_\_\_\_

# Architecture & Design Scotland

Ailtearachd is Dealbhadh na h-Alba

## **ARCHITECTURE AND DESIGN SCOTLAND**

### **MINUTES OF AUDIT COMMITTEE MEETING [34]**

**9 Bakehouse Close, 146 Canongate, Edinburgh**

**10.00 am on Monday 11<sup>th</sup> February 2019**

**Present:** Sue Evans, Chair (SE), Kirsty Macari (KM), Sandy Beattie (SB), Andy Burrell (AB),

**Staff:** Jim MacDonald (JMacD), Lynne Lineen (LL), Sue Reynolds (SR), Val MacBeath (VM)

**Guests:** Adam Haahr, Audit Scotland (AH), Gill Callaghan, TIAA (GC) (part - for Item 6 via Skype)

#### **1. APOLOGIES**

Apologies were received from Graham Hill.

#### **2. MINUTES OF MEETING ON 12<sup>TH</sup> NOVEMBER 2018 & MATTERS ARISING**

The minutes of the previous meeting were AGREED.

#### **3. CEO QUARTERLY GOVERNANCE STATEMENT**

The CEO Quarterly Governance statement was presented to Audit Committee. There were no issues of concern highlighted in the paper.

Audit Committee was encouraged by the ongoing management of the organisation and the ongoing good relationship with our sponsor.

The Report was NOTED.

#### **4. 2018/19 Q3 MANAGEMENT ACCOUNTS TO 31 DECEMBER 2018**

##### Income

The report shows that the total budgeted income for 2018/19 was £1,755,000, including c/fwd from 2017/18 of £85,000. The latest forecast of income for 2018/19 is £1,829,700 including b/fwd income of £85,000 (2017/18 – total income £2,129,000).

## **Summary of Income 2018/19**

	Original £	Latest Forecast £
<b>Grant Income</b>		
Core Grant Income c/fwd 17/18	85,000	85,000
Core Grant Income	1,365,000	1,365,000
Additional Grant for Happenstance	0	15,000
Additional Grant for secondments	0	47,000
Schools Grant Income	175,000	175,000
Health Grant Income	130,000	130,000
<b>Total Grant Income</b>	<b>1,755,000</b>	<b>1,817,000</b>
<b>Other Income</b>		
Creative Scotland	0	5,700
Urban Union	0	7,000
<b>Total Other Income</b>	<b>0</b>	<b>12,700</b>
<b>Total Income</b>	<b>1,755,000</b>	<b>1,829,700</b>

### Expenditure

The total actual spend for the nine month period to 31 December 2018 was £1,277,000 representing 73% of total income (M9 2017/18 - £1,157,000 - 54% of total income).

A further £379,000 of expenditure was committed by Purchase Orders at 31 December 2018 representing 22% of total income (M9 2017/18 - £614,000 - 29%).

A further £131,000 was approved expenditure by 31 December 2018 as per the Business Plan but Purchase Orders had not yet been raised as at 31 December 2018 (M9 2017/18 £299,000).

Rent expenditure in relation to both the Edinburgh and Glasgow offices was prepaid in 2017/18. Committed expenditure in 2018/19 does not include any rent expenditure in 2018/19. The option to prepay rent is available to A&DS in 2018/19.

### Net Income less Spend and Committed

The total net income not spent or committed at 31 December 2018 was £43,000. This represents 2.3% of our total income.

The current uncommitted grant income balance of £43,000 will be allocated to expenditure authorised by the Management Team and spent by 31 March 2019, or approval will be requested from our SG sponsor to carry forward any unspent grant income to 2019/20.

## 5. STRATEGIC AND CORPORATE RISK REGISTERS

SR updated the Audit Committee on the changes to the Corporate Risk Register (CRR) made since the last meeting.

No new risks had been added to the CRR by the Management Team. One new risk (No 13) had been added to the CRR at the request of Audit Committee in December 2018. No risks have been removed and overall the risks are reducing.

SR confirmed there had been no updates to the Strategic Risk Register (SRR).

Both the CRR and SRR were NOTED and APPROVED for presentation to the Board meeting.

## 6. INTERNAL AUDIT

GC joined the meeting by video conferencing for this item.

### a) Plan and timetable 2019/20

GC highlighted that the audit work in relation to the Staff Performance and Reporting and also the follow up actions from the previous internal audit reports had both been postponed until 7 March 2019 due to TIAA workload.

The Internal Audit Plan and Timetable 2019/20 were NOTED.

### b) Internal Audit – Assurance Review of Corporate Performance

The Internal Audit report on Corporate Performance was discussed. The report identified areas for improvement around the balanced scorecard reporting.

Management team will put in place a review of the corporate performance reporting and a revised template will be implemented in time for 2019/20 Q1 reporting. Audit Committee supported the need for development of meaningful and relevant KPIs, along with a measuring and reporting system that was understood and deliverable by staff.

### **ACTION 1: Agenda item for 29 August 2019 Audit Committee Meeting**

The update paper from TIAA was NOTED.

## 7. AUDIT SCOTLAND – ANNUAL AUDIT PLAN 2018/19

Audit Scotland presented the Annual Audit Plan for the 2018/19 audit. Key areas of risk that will be tested are standard to every Public Body audit. The audit work to be completed reflects recognition by Audit Scotland of a lower level of risk at A&DS than the previous year due to greater awareness of the business of A&DS in year three of the audit cycle.

Key dates are for A&DS to have the draft Annual Report and Accounts to 31 March 2019 prepared ready to be audited by 3 June 2019. The draft Annual Report and Accounts should be emailed to the members of the Audit Committee by 3 June 2019.

Audit Scotland clarified these draft Annual Report and Accounts have only to be emailed and do not need to be approved by the Audit Committee ahead of the audit work by Audit Scotland.

**NOTED AS ACTION NO 5 SEPT 2018: Draft Annual Report and Accounts for the year to 31 March 2019 to be prepared ready for Audit Scotland by 3 June 2019.**

The Statement of Governance, within the Annual Report, should be presented to Audit Committee for approval at the meeting in May 2019. Overall the timetable presented by Audit Scotland is designed to ensure the Annual Report and Accounts to 31 March 2019 are approved by the Board by 31 October 2019.

**NOTED AS ACTION NO 5 SEPT 2018: Statement of Governance to be presented to Audit Committee for approval at meeting on 30 May 2019.**

The fee from Audit Scotland for the audit work in 2018/19 is £8,120 as noted in paragraph 8 within the Annual Audit Plan 2018/19. This fee was agreed and approved.

AH reported the dates within the timetable would be updated following confirmation of future Audit Committee dates.

SE thanked AH for putting the paper together.

The paper from Audit Scotland was NOTED.

## **8. BENCHMARKING SICKNESS ABSENCE RATES**

At a previous meeting Audit Committee had requested that A&DS sickness levels were benchmarked with other public sector bodies on an annual basis. When compared with other selected public sector bodies, A&DS compares favourably and has the lowest absence rate for the year to 31 March 2019.

SE thanked LL for this very helpful paper and noted the intention to repeat the benchmarking process in January 2020 to keep absence rates at A&DS under review.

**ACTION 2: Benchmarking of sickness absence rates for the year to 31 March 2020 to be included in 30 January 2020 Audit Committee agenda**

The paper was NOTED.

## **8. ANY OTHER BUSINESS**

It was noted that SB and AB had reached the end of their term as Board Members and would stand down from Audit Committee following this meeting. As a result, it was noted that this would mean the Audit Committee would only have three Board members until additional Board members were appointed to Audit Committee. It was noted as per the Audit Committee Terms of Reference that Audit Committee requires three Board members to be present for the meeting to be quorate.

JMacD reported that 57 applications had been received for Board membership and interviews would take place w/b 18<sup>th</sup> February 2019.



It was noted that our Chair of the Board would review membership of the Audit Committee once the new Board members are in place.

**ACTION 3: Chair of Board to review membership of Audit Committee once new Board members are in place.**

Future Audit Committee dates would be agreed following today's Board meeting. It was noted there was no obligation to hold Audit Committee in a rigid pattern on a particular day.

SE noted this would be the last Audit Committee meeting AB and SB would be attending as members and expressed her grateful thanks on behalf of the Board to SB and AB for their services to the Audit Committee.

The meeting closed at 10:55.

Signed \_\_\_\_\_

**SUE EVANS, CHAIR, AUDIT COMMITTEE**

Date \_\_\_\_\_