

# Architecture & Design Scotland

Ailtearachd is Dealbhadh na h-Alba

## **ARCHITECTURE & DESIGN SCOTLAND**

### **MINUTES OF AUDIT COMMITTEE MEETING (43)**

**Online via MS Teams**

**10:30 on Tuesday 1<sup>st</sup> June 2021**

**Present:** Sue Evans (SE) (Chair), Angela Bonney (AB), Kirsty Macari (KM), Lynn Wilson (LW) and Bruce Ross (BR)

**Staff:** Jim MacDonald (JM) (CEO), Lynne Lineen (LL) and Val MacBeath (VM - Minutes)

**Guests:** Mark Ferris (MF) (Senior Manager, Audit Scotland), and Martin Ritchie (MR) (TIAA)

**Apologies:** Ann Allen (AA)

#### **1. APOLOGIES & DECLARATIONS OF INTEREST**

The Chair welcomed the Committee to the meeting. Apologies were received from Ann Allen

There were no declarations of interest.

#### **2. PREVIOUS MINUTES AND MATTERS ARISING**

The previous Minutes were AGREED.

Matters Arising were as reported, no further updates.

#### **3. CEO GOVERNANCE STATEMENT AND MT STATEMENT OF INTERNAL CONTROLS**

The Committee noted that during the quarter:

- No data breaches had occurred;
- No cyber security incidents highlighted, and Leadership Team continue to be aware of and monitor cyber security which is a risk highlighted on the Risk Register;
- Sickness absence figures were up in comparison to last year mainly related to two employees absent on a long-term basis - regular communication was in place with the employees during the absences;
- No Health and Safety issues to report;
- No sponsor meetings had taken place since lockdown, but the CEO maintained regular contact with the Sponsor Team;
- Corporate Infrastructure sponsor team meetings continue;
- One new policy update on Attendance Management had been approved by Leadership Team;

- Training for all B3s on welfare management had been run by ACAS; and
- 3 FOI requests relating to IT, Board Register of Interests and Contracts on office maintenance had been received and answered within the 20-day statutory deadline.

The Committee also noted that our office continued to remain closed, in line with Scottish Government guidance, until 30<sup>th</sup> June 2021 and plans for returning to the office in a controlled and safe way when the advice changes were being developed. The Committee also noted that the lease with Glasgow City Council (GCC) for the Lighthouse building was terminated on 30 April 2021. Glasgow based colleagues continue to work from home and the Leadership Team will consider future options for office working once a return to office-based working is permitted. It was noted there would be no dilapidation costs but there may be a cost associated with repainting the office area. This had not yet been confirmed by GCC.

The Committee also noted that there were no GDPR breaches to report.

Committee members noted with regard to sickness absence it was encouraging to note that colleagues' health was improving and was encouraged to hear they had been supported.

The Committee NOTED the report

#### **4. 2020/21 Q4 MANAGEMENT ACCOUNTS TO 31 MARCH 2021**

##### Income

The report shows that the total income for 2020/21 was £2,089,265 (2019/20 – total income £2,143,418), including c/fwd Income of £105,515 which is made up of Decarbonisation 2019/20 Grant monies of £50,515 and Core Grant 2019/20 of £55,000.

The other income of £53,750 is analysed below within Summary of Income for 2020/21:

##### **GRANT IN AID**

CORE GIA	1,365,000
LEARNING ESTATE GIA	175,000
LEARNING ESTATE GIA NOT DRAWN DOWN	-25,000
HEALTH GIA	130,000
ADDITIONAL GRANT PENSION CONTRIBUTIONS	40,000
ADDITIONAL GRANT VENICE FROM PAD	50,000
ADDITIONAL GRANT VENICE FROM REGENERATION	15,000
ADDITIONAL GRANT VENICE FROM SUPPORT EXTERNAL RELATIONS	50,000
ADDITIONAL GRANT DECARBONISATION SG	100,000
ADDITIONAL GRANT CLIMATE CHANGE SG	30,000

<b>TOTAL GRANT IN AID INCOME 2020/21</b>	<b><u>1,930,000</u></b>
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##### **FUNDING C/FWD 2019/20**

DECARBONISATION GRANT MONIES C/FWD SALARIES 2020/21	50,515
C/FWD GRANT FROM PREVIOUS YEARS	55,000

<b>TOTAL GRANT C/FWD PREVIOUS PERIODS</b>	<b><u>105,515</u></b>
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##### **OTHER INCOME**

CREATIVE SCOTLAND - SCOT+VENICE  
ZWS - MATERIALS LIBRARY

48,750  
5,000

**TOTAL 2020/21 OTHER INCOME**

**53,750**

**TOTAL 2020/21 INCOME**

**2,089,265**

Expenditure

The total actual spend for the twelve months to 31 March 2021 was £1,688,000 representing 81% of total income (M12 2019/20 - £1,916,000 - 89% of total income).

A further £191,000 of expenditure was committed by Purchase Orders on 31 March 2021 representing 9% of total budgeted income (M12 2019/20 - £173,000 - 8%).

Within committed expenditure, £16,000 is committed for staff salaries to be paid to the Decarbonisation team in 2021/22 from the grant A&DS received in 2020/21.

Rent expenditure in relation to the Edinburgh office was prepaid in 2020/21 in relation to 2021/22 in the same manner as previous years.

We have written permission from our Sponsor to carry forward £162,000 of funding from 2020/21 to 2021/22 in relation to the Scotland + Venice project which was delayed from Spring 2020 until May 2021 due to Covid-19.

Net Income less Spend and Committed

The total net income not spent or committed at 31 March 2021 was £43,000. This represents 2% of our total income.

Of this £43,000, £21,000 relates to a saving in rent costs for the Lighthouse building in Glasgow as Glasgow City Council notified us in early March 2021 that they were giving us a rent-free period from 1 October 2020 until 31 March 2021 due to the Lighthouse building being closed due to Covid-19.

The balance of £22,000 relates to costs relating to projects and expenditure which had been provided from 2019/20 grant income but were cancelled along with related expenditure due to Covid-19.

The budget for 2021/22 will be updated to include this balance of £43,000 and the Leadership Team will consider how these funds will be spent in 2021/22.

The Chair asked if an updated budget for 21/22 could be prepared and circulated to Audit Committee in advance of the September 2021 meeting highlighting any big movement to allow Committee to anticipate what was going to be happening in the year ahead in terms of income and expenditure.

**ACTION 01: LL TO PREPARE AN UPDATED BUDGET AND CIRCULATE TO AUDIT COMMITTEE**

The Committee asked if we were promoting what we can do in terms of carbon reduction. It was reported we have technical expertise in house and an awareness of what we are seeking others to consider carbon reduction. In addition, we recognise the need to consider

carbon reduction in all our own activities. We are considering how we keep the Board and Audit Committee sighted on this.

## **ACTION 02: JM AND AA TO DISCUSS FUTURE BOARD MEETING REPORTING OF WHAT WE ARE DOING IN TERMS OF CARBON REDUCTION, INCLUDING REPORTING METHODOLOGIES**

Committee highlighted that Zero Waste Scotland had produced carbon metric tools which may be of interest.

## **ACTION 03: LW TO CIRCULATE LINK FOR CARBON METRIC TOOLS FROM ZERO WASTE SCOTLAND**

### **5. GOVERNANCE STATEMENT WITHIN ANNUAL REPORT AND ACCOUNTS TO 31 MARCH 2021**

The draft Governance Statement within the draft unaudited Annual Report and Accounts (ARA) for the year to 31 March 2021 has been prepared prior to the ARA being audited by our external auditors, Audit Scotland.

The Committee felt the statement "*The Board's role is to ensure that Architecture and Design Scotland fulfils the aims and objectives set by the Scottish Ministers and to promote the efficient and effective use of staff and other resources*" did not reference the Corporate Strategy, rather it went to the Ministers decisions.

The Committee noted that this wording had been set for many years and was lifted from the framework agreement. This part introduced the overall how the organisation is set up and the relationship between Ministers, Board, and staff. Further on it talks about the operation of the framework and goes into more detail of the strategy. It may be less precise than if it referred to the Corporate Strategy, but the strength of this wording meant it said the same throughout the time we have been required to produce this statement

The Committee APPROVED the draft Governance Statement.

### **6. BUSINESS PLAN PROGRESS**

The Committee noted that a revised set of performance reporting templates were being developed for Quarter 1 of the 2021/22 reporting year. This will reflect the new ways of working, Home Teams and our new Corporate Strategy and Corporate Plan, replacing the current format as presented at this meeting.

The Committee noted that from the 21 projects reported on in quarter 4 2020/21:

- 11 remained on track;
- 3 were reporting minor slippage;
- 4 had been placed on hold due to Covid; and
- 3 had been closed.

On the 3 projects that reporting minor slippage - the Committee noted the following update:

<b>Business Plan Ref No</b>	<b>Project</b>	<b>Update</b>
1	Case Studies	<p>This was showing as red for much of 2019/20 and remains at Amber but progress was made in Q4 2020/21.</p> <p>In relation to production of the Case Studies, 90% of the images are now in, however the project was put on hold due to the Scotland+Venice project taking precedent.</p> <p>Scheduled for early June 2021.</p>
17	Schools: Test of Change – Learning Estate	<p>Work is progressing on the Learning Estate work albeit slower than expected due to Covid-19 issues throughout the year.</p> <p>In Q4, A&amp;DS commissioned a 3D interactive model and held training with teachers to aid transition for staff and pupils. Also issued staff questionnaire, analysed results, and issued graphical report.</p> <p>Ferryhill Primary School in Aberdeen City has made an enquiry to assist with outdoor learning/ external space analysis. Project scoping/ evaluation has begun, and this work will be scheduled for 2021/22.</p>
19	Skills Development Housing	<p>The project has been reshaped to move the planned work onto a digital platform.</p> <p>Editing of module 2 content is in progress (60% complete), prior to formatting and illustration for publication.</p> <p>Progress with delivery of module 2 has stalled due to need to prioritise input to KAG advice commitments.</p> <p>Module 3 content development initiated, but currently on hold due to prioritisation of Climate Action Towns work by colleagues involved.</p>

The Committee noted that the reporting of Q1 2021/22 performance will be at the next Audit Committee meeting on 7 September 2021. The Committee requested the new reporting captures up to date progress on projects as well as development in future years.

The Committee NOTED the report and recognised there would be a new performance reporting system in place when we come to look at Q1 2021/22.

## 7. RISK REGISTER

The Committee noted that the risk register was reviewed by Leadership Team in April and May 2021 with the following updates:

- **Risk ID 5 - Failure to achieve Corporate and Management targets** – Updated to reflect new ways of working in Home Teams and new systems being implemented to sit alongside new Corporate Strategy. This will ensure reporting across the organisation is systematic and transparent. Leadership Team will be able to take decisions based on real time information. This will ensure mitigating risks are robust. This will be updated as the systems are agreed and implemented during Quarter 1 of 2021/22.
- **Risk ID 1 – Cybercrime** – remains unchanged
- **Risk ID 6 - Loss of business continuity due to disaster event** – remains unchanged.
- **Risk ID 3 - Insufficient stakeholder funding** – remains unchanged.
- **Risk ID 2 – Loss of any key individual** – updated to reflect long term absences and mitigations in place to cope with long term sickness or longer-term special leave applications.
- **Risk ID 4 - Loss of financial control** – remains unchanged.
- **Risk ID 7 – Failure to comply with GDPR** – remains unchanged.

It was noted we are in the process of implementing a new HR system, Sage HR, and this would produce more real time information.

The Committee NOTED the table within the annex needs to be updated to reflect the text.

### **ACTION 04: UPDATE RISK REGISTER AS FOLLOWS:**

- 1) **The Committee asked if there was there a process to separate normal risk of failure of delivery and interactions and interactions reflecting Covid-19 risk.**
- 2) **Leadership Team to discuss if the loss of any key individual should be at the top rating/increased.**
- 3) **The Committee suggested it might be worth looking at our impact ratings to make them more exponential giving a bigger stretch on the Risk Register. This would put into stark contrast areas of greatest organisational risk.**
- 4) **Audit Scotland to look for possible examples from other public section organisations adopting that methodology**

The Committee NOTED the risk register.

## **8. INTERNAL AUDIT UPDATE**

The internal audit topics for 2020/21 agreed by the Leadership Team were noted as:

- 1) 10-year strategy review;
- 2) Assurance review of performance reporting;
- 3) Follow up from previous years.

Item number 1 - New 10-year strategy review, was completed in 2020/21 quarter 3 and reported to the Audit Committee at the March 2021 meeting.

Item number 2 - TIAA has issued its final report and has given a "Limited Assurance" rating on this report. There were six priority findings – five at level two and one at level three for the action plan. The Leadership Team has accepted this finding and has put a plan in place to take this forward.

Item number 3 - Follow up review. TIAA have carried out their annual review of actions from previous audits. TIAA identified eight outstanding items – of which two have been implemented and one has been superseded. The Committee noted that the remaining five items have been delayed mainly due to Leadership Team decision to review internal systems and new ways of working to support the new Corporate Strategy and Corporate Plan implementation. All five items will be incorporated into the new ways of working.

### **Annual report 2020/21**

TIAA has produced the 2020/21 Annual Report on the internal control environment at A&DS.

The Committee noted that TIAA reported that there has been minimal impact on the delivery of the internal audit work for 2020/21 as a result of the Covid-19 pandemic. Whilst there was an impact on delivery of the work in the early part of the year during the initial lockdown, TIAA were able to deliver the planned work by the year-end. There have been no changes to the planned work as a result of Covid-19.

The Committee were pleased to note that TIAA were satisfied that, for the areas reviewed during the year, Architecture & Design Scotland has reasonable and effective risk management, control, and governance processes in place.

### **Internal audit strategy and annual internal audit plan 2021/22**

The internal audit work which TIAA will carry out in 2021/22 is GDPR and review of project management approach. The Leadership Team will review these topics in the light of the new ways of working, and the new Corporate Strategy and Corporate Plan to ensure we are using Internal Audit to best effect.

The Committee noted the following year was digital strategy. It was confirmed this was more about how we are going to deliver our message and make better use of digitalisation rather than cybercrime.

The review of project management approach is being currently working on.

GDPR will be on the dashboard, and A&DS are working towards ensuring all the policies and procedures are in place in relation to data protection.

The Chair thanked TIAA for the work during the year and looked forward to working with them in 2021/22.

The Committee NOTED the Report.

## **9. AUDIT SCOTLAND – ANNUAL AUDIT PLAN (AAP)**

At the Audit Committee meeting on Tuesday 2 March 2021, it was agreed that Audit Scotland would circulate the AAP to the Audit Committee for comment and noting. Audit Scotland noted it was content to then have e-mail confirmation from the Chair of Audit Committee that the Committee was content to note the AAP.

The AAP was circulated by email to the members of the Audit Committee who confirmed they were content to note the AAP.

As noted at the Audit Committee meeting on 2 March 2021, Audit Scotland is currently planning the scheduling of audit field work for all clients. MF, Senior Manager, currently thinks it is likely the audit work for A&DS will be delayed until late September/October 2021. MF had requested that A&DS was flexible with the dates of the audit fieldwork in case another public sector body delays its planned audit work and then Audit Scotland could bring forward the date of the A&DS audit work at short notice.

The Committee NOTED the Report.

## **10. ANY OTHER BUSINESS**

The Committee suggested it would be timely to circulate an updated set of organograms to Board and Audit Committee given the changes in roles for staff and the creation of the Home Teams.

## **ACTION 05: JM TO SHARE LATEST VERSION OF THE MODEL WE ARE IMPLEMENTING AND BRING TO JULY 2021 BOARD**

The Chair thanked everyone for their contribution.

LW noted her apologies for the next Audit Committee meeting on 7<sup>th</sup> September 2021.

## **11. ANY OTHER BUSINESS**

There was no other business.

The Meeting closed at 11:55.

Date of next meeting: Tuesday 7<sup>th</sup> September 2021 at 10:30 via Teams.

Signed: Sue Evans

**Sue Evans, Chair**

Date: 17 September 2021



# Architecture & Design Scotland

Ailtearachd is Dealbhadh na h-Alba

## ARCHITECTURE & DESIGN SCOTLAND

### MINUTES OF AUDIT COMMITTEE MEETING [44]

Online via MS Teams

10:30 on Tuesday 7<sup>th</sup> September 2021

**Present:** Sue Evans (SE) (Chair), Angela Bonney (AB), Kirsty Macari (KM), and Bruce Ross (BR)

**Staff:** Jim MacDonald (JM) (CEO), Lynne Lineen (LL) Sue Reynolds (SR) Emelie Borg (EB) and Val MacBeath (VM - Minutes)

**Guests:** Mark Ferris (MF) and Aimee MacDonald (AMD) (Audit Scotland), and Martin Ritchie (MR) (TIAA)

**Apologies:** Lynn Wilson (LW)

#### 1. APOLOGIES & DECLARATIONS OF INTEREST

The Chair welcomed the Committee to the meeting. Apologies were received from Lynn Wilson and Ann Allen who joins as an observer but was unable to on this occasion due to technical difficulties.

There were no declarations of interest.

#### 2. PREVIOUS MINUTES AND MATTERS ARISING

The previous Minutes were AGREED.

The following was reported on Matters Arising:

**March 20 No 5** - Self assessment of Audit Committee – agreed these should remain with the Board rather than delegated to Audit Committee.

**Combined Performance Report additions** – this remains on MA as ongoing; dates are included as a rough guide to when they should be included in the performance reporting pack – this will remain an item on MA until all issues are incorporated into the performance pack.

**June 21 No 2** – Carbon Reduction – Standing item on the Board agenda. All measures agreed by the Board pre Covid-19 will apply as we return to the office.

**June 21 No 4** – Risk Register - Completed actions 1-4. MF would forward anything relating to no 4) examples from other public bodies. MF confirmed what we are doing is the right way to go.

**June 21 No 5** – Home Teams chart posted on Board Members portal.

### 3. CEO GOVERNANCE STATEMENT AND MT STATEMENT OF INTERNAL CONTROLS

The Committee noted the content of the Q1 report and in particular:

- no data breaches
- one single tender action signed off by CEO
- no Health and Safety incidents to report
- No GDPR breaches
- CIT had secured access to "Scots" (SG's online portal) for a period of 6 weeks via PAD. CI Team is currently downloading all the policies from the site, including guidance notes and Statements, and will begin a complete refresh of all A&DS policies in the Autumn.
- two FoI requests in the period from 1 April to 30 June 2021 which were answered in the allocated time related to:
  - System providers and contract end dates
  - Implementation of the pay remit

The Committee noted that hub working was currently being trialled by the Glasgow staff – the pilot will run until 31 December 2021 to test its success and a final decision will be made by Leadership Team going forward based on success and affordability.

The Committee also noted the positive feedback from the Carbon Literacy Training. It was reported that the option of offering training to Board members had been discussed. As the training involved a significant time commitment it was felt that a short session delivered by Keep Scotland Beautiful at a future Board meeting would be more manageable for Board members.

The Committee **NOTED** the report

### 4. 2021/22 Q1 PERFORMANCE REPORT

#### a) Accounts

##### Income

The report shows that the total income for 2021/22 is budgeted to be £2,292,500 (2021/20 – total income £2,126,515), including c/fwd Income of £376,500 which is made up of Scotland+Venice of £232,000, Digital Strategy of £75,000 and Decarbonisation 2020/21 Grant monies of £14,500 and Core Grant 2020/21 of £55,000.

Summary of Income for 2021/22:

<b>INCOME</b>	£
<b>GRANT IN AID</b>	
CORE GIA	1,365,000
ADDITIONAL GIA FROM 2021/22	100,000
LEARNING ESTATE GIA	175,000
HEALTH GIA	130,000
ADDITIONAL GRANT CLIMATE ACTION TOWNS SG	146,000
<b>TOTAL GRANT IN AID INCOME 2021/22</b>	<b><u>1,916,000</u></b>

**FUNDING C/FWD FROM 2020/21**

DECARBONISATION GRANT MONIES C/FWD SALARIES 2020/21	14,500
SCOTLAND+VENICE - GRANT UNSPENT	210,000
SCOTLAND+VENICE - POs ISSUED NOT COMPLETE BY 31/3/21	22,000
DIGITAL STRATEGY	75,000
C/FWD GRANT FROM PREVIOUS YEARS	55,000

**TOTAL GRANT C/FWD PREVIOUS PERIODS****376,500****TOTAL 2021/22 INCOME****2,292,500**Expenditure

The total actual spend for the twelve months to 30 June 2021 was £510,000 representing 22% of total income (M3 2020/21 - £352,000 - 17% of total income).

A further £1,176,000 of expenditure was committed by Purchase Orders at 30 June 2021 representing 51% of total budgeted income (M3 2020/21 - £1,196,000 - 56%).

Rent expenditure in relation to the Edinburgh office will be prepaid in 2021/22 in relation to 2022/23 in the same manner as previous years.

We had written permission from our Sponsor to carry forward funding from 2020/21 to 2021/22 in relation to the Scotland + Venice project which was delayed from Spring 2020 until May 2021 due to Covid-19.

The grant for Climate Action Towns of up to £146,000 will be claimed in line with actual expenditure.

Net Income less Spend and Committed

The total net income not spent or committed at 30 June 2021 was £607,000. This represents 26% of our total budgeted income (M3 2020/21 - £579,000 – 27%).

A further £344,000 was approved expenditure at 30 June 2021 as per agreed budgets and the Business Plan but the expenditure had not yet been committed.

The budgeted income not yet allocated to expenditure is £263,000, of which £45,000 relates to Schools project, and the balance of £218,000 available for other projects and expenditure.

The current uncommitted income balance of £263,000 will be allocated to expenditure authorised by the Leadership Team and be planned to be spent by 31 March 2022.

The Chair thanked LL for a clearly presented report.

The Committee **NOTED** the report

## b) Business Plan

The Committee welcomed the updated business plan performance report and noted that going forward the cover paper would be incorporated into the annex in a more visual format.

The Committee noted that the Business Plan Report had been split into sections that corresponded to the Home Teams division of work. The front cover of Annex 1 provided a snapshot of highlights, and this would be developed further as we progress through the year.

The report highlighted that from 21 in Q4 for 2020/21 we have 69 projects in the current quarter. Those 69 pieces of work being reported on for Q1 2021/22 span across the whole of the year. 21 of those projects are not fully scoped but have been included within the report to show the overall work commitment of 2021/22.

The Committee noted the RAG status of the 69 pieces of work shown in the Business Plan as follows:

<b>Colour Rating</b>	<b>Description</b>	<b>No of projects in 2021/22</b>
Green	On track	43
Amber (shown in yellow)	Slight slippage	4
Red	Significant slippage	0
White	Not yet started in year or on hold	22
Blue	Closed	0
<b>Total</b>		<b>69</b>

The Committee noted the amber projects status updates as follows:

<b>Business Plan Ref No</b>	<b>Project</b>	<b>Update</b>
8	Skills Development Housing	<p>The project has continued from 2020/21 reporting – and continues to hold an Amber Status. The new Home Team is currently reshaping the work to move the planned work onto a digital platform. Module 1 is being adapted to become more accessible.</p> <p>Remaining work is being scoped/timetabled into the Home Team delivery schedule for possible publication throughout the year, depending on available resources.</p>

10	Carbon Conscious case studies	One case study has been published (one of 5) following on from the Carbon Conscious Places project. Remaining work is being scoped/timetabled into the Home Team delivery schedule for possible publication throughout the year, depending on available resources.
23	LAUDF	The Home Team is currently working to reshape the work of LAUDF within our new strategy parameters.
28	Materials Library	<p>The Materials Library whilst based in the Lighthouse remained closed to the public throughout Q1 of 2021/22.</p> <p>Discussions with funding partners have been ongoing about the future of the Materials Library. It was agreed in August 2021 to move the Materials Library from its current location at the Lighthouse to the City of Glasgow College on 2 September 2021 - where it will initially be situated in a prime location at the entrance to the College.</p>

The Committee noted the following verbal updates:

- **Materials Library** - now moved from the Lighthouse to Glasgow College. Glasgow College were delighted to have it located in their foyer area in a space where it can be easily accessed. Discussions have taken place around a digital launch in late September 2021. We are in communication with funders and Glasgow College to discuss the longer-term strategic future of the Materials Library and what A&DS's role will be to try and create a stable platform for the Library.
- The RAG status was to the end of Q1- for Q2 would compare and it would be clear that we had put measures in place to resolve a particular situation.

The Committee asked if there was still an appetite for LAUDF. It was reported that colleagues had been in touch with the steering group to discuss the future direction of the Forum and updates would follow in subsequent reporting.

The Committee welcomed the new format and asked how readily key information was accessible and could be pulled out across Home Teams and topics.. Staff were asked to consider using RAG colour coding against each project's quarterly update to help with easy tracking of progress, noting that the format would also help to mitigate risks within projects as slippages and delays would show up in the report allowing performance to be reviewed and modified.

The Committee noted some tasks were small and asked that consideration be given to filtering info going forward. It was agreed that further shaping of the report would continue as experienced was gained over as quarterly reporting progresses in year.

The Committee asked to include more details around milestones and measurements - could the cover sheet include more measurables from each of the Home Teams? It was reported

that for the first time we have the opportunity to say that work is complete which is captured in the summary table, which allows for some capturing of deliverables. Again this can be tested over time.

It was agreed that it is important that staff, who are contributing intelligence, see value in the reporting process. User feedback as the reporting format develops will be helpful.

#### **ACTION 01: EB, SR & JM TO REFLECT ON FEEDBACK AND DEVELOP FURTHER**

The Chair passed on her thanks to all staff and encouraged them to work with the team to supply good quality reporting and to see value in the system as it develops. She noted particular thanks to SR and EB for their continued work on the BP report.

The Committee **NOTED** the report.

#### **c) Risk Register**

The risks were reviewed by Leadership Team in August 2021 and the Committee noted the following updates:

- **Risk ID 1 – Cybercrime** – After Leadership Team reviewed this risk it was agreed that it would move back to our number 1 risk. The IT Lead continues to ensure that the latest software is in place to detect risks and indeed one of our laptops was cloned and our software picked it up as soon as the rogue IP address was detected. Back up of all data takes place every month and can be restored within 24/48 hours after event. However Cybercrime remains a high risk across all platforms.

- **Risk ID 5 - Failure to achieve Corporate and Management targets** – Moved to second place and reduced net risk after mitigation down from 9 to 6. After discussion at Leadership Team - this risk was reduced on the basis that real time reporting is being implemented and new Home Teams set up includes fortnightly Work Planning Group which reduces likelihood of targets not being met. The additional post in Corporate Infrastructure Team which focuses on reporting and building planning and strategy delivery and gathering real time reporting is now in place and will further mitigate this risk.

- **Risk ID 6 - Loss of business continuity due to disaster event** – After Leadership Team assessed this risk, it was agreed that this risk could be removed from the risk register. Sufficient mitigations are in place to ensure work will continue though pandemics, loss of office due to fire etc - loss of SharePoint – which can be restored within 24/48 hours.

- **Risk ID 3 - Insufficient stakeholder funding** – After Leadership Team discussion it was decided this item should remain on the Risk Register but has reduced after mitigation from 6 to 4 - due to active controls - Stakeholder confidence in new Strategy and positive Scottish Government engagement including an enhanced grant for 2021/22 and further offer of funding for Climate Action Towns project have reduced this risk – at least for 2020/21.

- **Risk ID 2 – Loss of any key individual** – Audit Committee asked for this risk to be reviewed at the May 2021 Audit Committee meeting - after Leadership Team discussion it was decided that sufficient mitigations are in place to reduce this item by 2 points - from 6 to 4 after mitigation - evidence shows we have a low turnover of staff. Further work on implementing a staff development programme and improving further conditions and work environments, along with hybrid working, will further mitigate this risk.

- **Risk ID 4 - Loss of financial control** – (mitigation) Remains unchanged.

- **Risk ID 7 – Failure to comply with GDPR** – After Leadership Team discussion it was decided to move this risk from 6 to 4 after mitigation – we continue to review on a yearly basis and update the Progress Update Report submitted to the Keeper of National Records of Scotland. We do not hold confidential data at A&DS and we have no compliance issues to deal with, therefore any loss of data would have a lower risk to the organisation than say information lost by a local authority on e.g. looked after children. Our main data is payroll details of staff and supplier account information

MF highlighted the issue that some of the target risk scores were above net risk total and SR agreed to review these entries for the next meeting.

## **ACTION 02: SR TO LOOK AT TARGET RISK SCORING FOR QUARTER 2 REPORTING**

The Committee **NOTED** the report.

## **5. INTERNAL AUDIT UPDATE**

The internal audit topics for 2021/22 agreed by the Leadership Team are noted below:

<b>No</b>	<b>Topic</b>	<b>Date of Internal Audit</b>	<b>Reported to Audit Committee</b>
1	GDPR Review	August 2021	Sept 2021
2	Project Management Approach	November 2021	March 2022
3	Follow up Review	5 March 2022	June 2022

TIAA had finalised their first audit of the year – a Review of GDPR which was given a Reasonable Assurance rating. TIAA noted that the Leadership Team agreed with all the recommendations within the GDPR Review and noted they found TIAA's reports helpful for planning within Corporate Infrastructure going forward.

Overall TIAA's report was positive with only a few areas needing extra work.

The Committee reported that they were able to take comfort in the fact that two of the actions will be completed by Christmas and the remaining 3 recommendations by 31 March 2021.

The Chair thanked MR and noted the value in the Internal Audits which allow the Committee the opportunity to review our internal systems.

The Committee **NOTED** the report.

## **6. AUDIT SCOTLAND – ANNUAL AUDIT PLAN UPDATE**

Audit Scotland updated the Committee that dates had been agreed for the virtual audit which would take place during the last week in October and first week in November. It was noted that this was later than in previous years due to the knock-on effect of Covid-19 on

Audit Scotland's work together with their need to follow statutory deadlines within Government.

The delay will have an implication for reporting to Audit Committee and obtaining approval from the Board for the Annual Report and Accounts (ARA) to 31 March 2021. It is therefore proposed that the next Audit Committee meeting on 2<sup>nd</sup> November 2021 deals with all the usual agenda items except the ARA item - which would be brought to a special Audit Committee meeting on Tuesday 7<sup>th</sup> December 2021 at 10:30 am. Following that meeting we would hopefully have a recommendation from Audit Committee to approve the ARA which would then go to the Board. The Chair of the Board had agreed to an additional Board meeting to accommodate this on Thursday 16<sup>th</sup> December at 10:00 am.

Audit Scotland noted their appreciation of our agreement to be flexible and accommodate the additional Audit Committee and Board meetings.

## **7. ANY OTHER BUSINESS**

There was no other business.

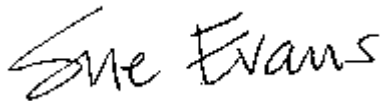
The Meeting closed at 12:00.

Date of next meeting: Tuesday 2<sup>nd</sup> November 2021 at 10:30 via Teams

For information:

- Regular Scheduled Board meeting: Thursday 18<sup>th</sup> November 2021 time tbc
- Additional Audit Committee meeting for ARA by Teams: Tuesday 7<sup>th</sup> December 2021 at 10:30 am
- Additional Board meeting to sign off ARA by Teams: Thursday 16<sup>th</sup> December 2021 at 10:00 am

The Chair thanked everyone for their attendance.



**Sue Evans, Chair**

Date: 9 November 2021



## **ARCHITECTURE & DESIGN SCOTLAND**

### **MINUTES OF AUDIT COMMITTEE MEETING [45]**

**Online via MS Teams**

**10:30 on Tuesday 2<sup>nd</sup> November 2021**

**Present:** Sue Evans (SE) (Chair), Angela Bonney (AB), Kirsty Macari (KM) and Bruce Ross (BR)

**Staff:** Jim MacDonald (JM) (CEO), Lynne Lineen (LL) Emelie Borg (EB) and Val MacBeath (VM - Minutes)

**Guests:** Mark Ferris (MF) and Aimee MacDonald (AMD) (Audit Scotland)

**Apologies:** Ann Allen (AA) and Lynn Wilson (LW)

#### **1. APOLOGIES & DECLARATIONS OF INTEREST**

The Chair welcomed the Committee to the meeting. Apologies were received from Ann Allen and Lynn Wilson.

There were no declarations of interest.

#### **2. PREVIOUS MINUTES AND MATTERS ARISING**

The previous Minutes were AGREED.

Committee noted the Matters Arising and no issues were raised.

#### **3. CEO GOVERNANCE STATEMENT AND MT STATEMENT OF INTERNAL CONTROLS**

The Committee noted the content of the report and in particular the long-term sickness absence. Procedural requirements were being followed and regular contact was maintained to ensure welfare was provided to the individual member of staff.

The Committee noted that Development Pathway training to improve employee skills is being delivered to prepare employees for opportunities for promotion within the organisation when they arise, alongside opportunities that arise externally.

Committee noted a few typos within the paper which would be corrected following the meeting.

The Committee **NOTED** the report

#### **4. 2021/22 Q2 PERFORMANCE REPORT**

##### **4.1 Finance**

##### **Highlights**

##### Income

- The report shows that the total income for 2021/22 is budgeted to be £2,228,711 (2021/20 – total income £2,141,515), including c/fwd Income of £312,711 which is made up of Scotland+Venice of £162,451, Digital Strategy of £60,000, Decarbonisation 2020/21 Grant monies of £16,000 and Core Grant c/fwd 2020/21 of £59,716.

Summary of Income for 2021/22:

<b>INCOME</b>	£
<b>GRANT IN AID</b>	
CORE GIA	1,365,000
ADDITIONAL GIA FROM 2021/22	100,000
LEARNING ESTATE GIA	175,000
HEALTH GIA	130,000
ADDITIONAL GRANT CLIMATE ACTION TOWNS SG	146,000
<b>TOTAL GRANT IN AID INCOME 2021/22</b>	<b>1,916,000</b>
<b>FUNDING C/FWD FROM 2020/21</b>	
DECARBONISATION GRANT MONIES C/FWD SALARIES 2020/21	16,000
SCOTLAND+VENICE - GRANT UNSPENT	162,451
DIGITAL STRATEGY	60,000
MATERIALS LIBRARY	9,544
C/FWD GRANT FROM PREVIOUS YEARS	59,716
<b>TOTAL GRANT C/FWD PREVIOUS PERIODS</b>	<b>312,711</b>

## **TOTAL 2021/22 INCOME**

**2,228,711**

### Expenditure

- The total actual spend for the twelve months to 30 September 2021 was £806,000 representing 36% of total income (M6 2020/21 - £734,000 - 34% of total income).
- A further £928,000 of expenditure was committed by Purchase Orders at 30 September 2021 representing 42% of total budgeted income (M6 2020/21 - £837,000 - 39%).
- Rent expenditure in relation to the Edinburgh office will be prepaid in 2021/22 in relation to 2022/23 in the same manner as previous years.
- We had written permission from our Sponsor to carry forward funding from 2020/21 to 2021/22 in relation to the Scotland + Venice project which was delayed from Spring 2020 until May 2021 due to Covid-19.
- The grant for Climate Action Towns of up to £146,000 will be claimed in line with actual expenditure.

### **Net Income less Spend and Committed**

- The total net income not spent or committed at 30 September 2021 was £494,000. This represents 22% of our total budgeted income (M6 2020/21 - £569,000 – 27%).
- From this balance of £494,000, a total of £414,000 of expenditure was approved but not yet spent or committed at 30 September 2021 as per agreed budgets and the Business Plan.
- The total of £414,000 includes £146,000 in relation to the Climate Action Towns which will be drawn down in line with actual expenditure, £60,000 for the Digital Strategy, £50,000 for Scotland+Venice and £45,000 in relation to Schools budget.
- The budgeted income not yet allocated to expenditure is £81,000.

### **Next Steps by Leadership Team**

- The current uncommitted income balance of £81,000 will be allocated to expenditure authorised by the Leadership Team and is planned to be spent by 31 March 2022.
- Budgets are set at the start of the year and certain expenditure has been reduced as a direct result of Covid-19. This includes overheads, catering, travel, etc.
- It was reported that Leadership Team had identified potential expenditure for the bulk of the £81,000 and expect this figure to be significantly reduced by 2021/22 Q3.

## **4.2 Risk**

The Committee's attention was drawn to the following two risks:

- **Risk ID 1 – Cybercrime** – After Leadership Team reviewed this risk, it was agreed that it would move back to our number 1 risk.

The IT Lead continues to ensure that the latest software is in place to detect risks. Evidence of this working was demonstrated as one of our laptops was cloned and our software picked it up as soon as the rogue IP address was detected.

Back up of all data takes place every month and can be restored within 24/48 hours after an event.

However Cybercrime remains a high risk across all platforms, therefore we have asked our IT provider to conduct a cyber risk report on our system and recommend any upgrades required.

Leadership Team will then consider the benefits of the recommendations before agreeing an implementation roadmap.

- **Risk ID 8 (New) Loss of staff confidence in the organisation** - Leadership Team have added this new risk to the register.

There is evidence that bedding in the new Corporate Strategy, systems and Home Teams functions is causing some concern amongst colleagues and there could be a loss in confidence in the organisation.

As a Leadership Team we are taking this extremely seriously and have organised a session to start to build awareness of our strategic priorities and where our colleagues fit into the structure to deliver these. Work also continues around the infrastructure to support the Home Teams.

We also ensured that new staff, who recently joined A&DS, had received a good induction experience. Feedback had indicated they had been very well supported, welcomed and made to feel part of the organisation.

A staff visit to the V&A in Dundee is planned for 18<sup>th</sup> November 2021.

The Chair thanked LT for their work on the risk register.

### **4.3 Business Plan**

The Business Plan performance report Q2 reflected the shift to become more focused on outcomes and how we evidence our work and deliver those outcomes ensuring that the reporting flows directly from the work we are doing. This report included the addition of a dashboard and a section on Corporate Infrastructure Team performance.

The Committee expressed their thanks to all members of staff for their input into the report and recognised that some pieces of work were more deliverable on time and regularly than others and progress in some projects can be delayed by partnerships and other factors.

The Committee felt it was important that staff see this as a working tool to extract intelligence, celebrate positive achievement and help us position and focus our work in the best way to achieve our aims and objectives. Staff also need to feel they can be honest about progress, where we are being successful, and where we are struggling.

The Committee welcomed the report and noted the summary narrative gave a very helpful overview of the home teams. They noted it would be good to compare progress with the next report to see if the same projects continue to slip. They felt that the use of the colour

blue in Q3, Q4 and project title was confusing as it was also used to denote projects that are completed within the performance full analysis.

## **ACTION 01: REVIEW COLOUR CODING WITHIN DOCUMENT**

The Committee thanked EB for the summary and full analysis documents. It was agreed that we would continue to test the model and make any adjustments to help staff embed into our routine practices in the next few months as we progress towards the year end.

The Committee **NOTED** the report.

## **5. AUDIT SCOTLAND – ANNUAL AUDIT UPDATE**

Work had commenced by Audit Scotland on the annual A&DS audit and would continue for the next two weeks. There were no concerns around progress or meeting deadlines.

An extra Audit Committee meeting had been scheduled for Tuesday 7<sup>th</sup> December 2021 to approve the annual accounts.

## **6. ANY OTHER BUSINESS**

There was no other business.

The Meeting closed at 1140.

### **Dates of next meetings**

- Tuesday 7<sup>th</sup> December 2021 from 10.30 -11:30 am via Microsoft Teams – extra meeting for Annual Accounts Approval
- Tuesday 1<sup>st</sup> March 2022 at 10:30 via Microsoft Teams

The Chair thanked everyone for their attendance.

Signed: *Sue Evans* .....

**Sue Evans, Chair**

Date **8 March 2022** .....

# Architecture & Design Scotland

Ailtearachd is Dealbhadh na h-Alba

## **ARCHITECTURE & DESIGN SCOTLAND**

### **MINUTES OF AUDIT COMMITTEE MEETING [46]**

**Online via MS Teams**

**10:30am on Tuesday 7<sup>th</sup> December 2021**

**Present:** Sue Evans (SE) (Chair), Angela Bonney (AB), Kirsty Macari (KM), Lynn Wilson (LW) and Bruce Ross (BR)

**Staff:** Jim MacDonald (JM) (CEO), Lynne Lineen (LL) and Sue Reynolds (SR - Minutes)

**Guests:** Mark Ferris (MF), Aimee MacDonald (AMD) and Karla Graham (KG) (Audit Scotland)

**Apologies:** Ann Allen (AA) - Observer

#### **1. APOLOGIES & DECLARATIONS OF INTEREST**

The Chair welcomed the Committee to the meeting. Apologies were received from Ann Allen.

There were no declarations of interest.

#### **2. AUDIT SCOTLAND ANNUAL AUDIT REPORT FOR YEAR ENDED 31 MARCH 2021**

KG from Audit Scotland presented the following:

- Proposed Independent Auditor's Report and draft Letter of Representation; and
- Audit Scotland's 2020/21 draft Annual Audit Report.

KG reported that the audit work on the 2020/21 Annual Report and Accounts was substantially complete, subject to receipt of a revised set of the Annual Report and Accounts for final review, confirmations of deferred income figures and the audit letter from the bank confirming the bank balance at 31 March 2021.

The Committee noted that Audit Scotland anticipated being able to issue an unqualified audit opinion on the 2020/21 Annual Report and Accounts.

The Committee also noted the two recommendations in the Action Plan prepared by Audit Scotland and Leadership Team's reply – see below:

No	Audit Scotland Recommendation	Leadership Team Reply
1	A&DS should ensure measurable outcomes are identified, against which performance can be reported, that align with the new 10- year strategy.	<p>Measurable outcomes have been included in our 10-year Corporate Strategy and 3-year Corporate Plan which were published in April 2021.</p> <p>New arrangements for reporting performance to the Audit Committee and Board have been introduced. This data will be included in the Performance Report in future years.</p> <p>Responsible officer – Lynne Lineen</p> <p>Agreed date – 31 March 2022</p>
2	A&DS should develop a revised financial strategy which ensures the total balances available are used to support financial sustainability over the medium-term. The financial strategy will require to incorporate a revised approach to service delivery and new ways of working.	<p>We recognise the need for a revised financial strategy and will ensure this includes a revised approach to service delivery and our new ways of working.</p> <p>We also continue to monitor expenditure across all areas of our business to maintain financial sustainability as best we can.</p> <p>Responsible officer – Lynne Lineen</p> <p>Agreed date – 31 March 2022</p>

Audit Scotland thanked the team at A&DS for their help and support in their preparation of the Annual Report and Accounts, which continued to be carried out remotely due to Covid-19.

### 3. ANNUAL REPORT AND ACCOUNTS TO 31 MARCH 2021

The Committee noted the content of the Annual Report and Accounts to 31 March 2021.

The Committee noted the improvement in the presentation of the Annual Report and Accounts and the hard work which had gone into ensuring this was all done remotely and within the agreed timetable during challenging Covid-19 times.

The following actions were agreed:

**Action 001:** Update "Reflections & Learning" section of the Performance Report to be more factual and in keeping with the style of the rest of the Annual Report and Accounts;

**Action 002:** MF explained reserves represent the cumulative profits/losses of an organisation since it was established. Following a discussion on the difference between bank balances and reserves, it was agreed to prepare a paper for March 2022 Committee meeting to explain reserves and how they are utilised.

The Audit Committee agreed the draft Annual Report and Accounts and confirmed these could be finalised and submitted to the Board for approval.

The Chair thanked Audit Scotland and staff at A&DS for all the hard work that had gone into preparing and auditing the draft Annual Reports and Accounts, along with associated paperwork.

## **6. ANY OTHER BUSINESS**

There was no other business.

The Meeting closed at 11.10am.

### **Dates of next meetings**

Tuesday 1<sup>st</sup> March 2022 at 10:30am via Microsoft Teams

The Chair thanked everyone for their attendance.

Signed: *Sue Evans* .....

**Sue Evans, Chair**

Date **8 March 2022** .....



## **ARCHITECTURE & DESIGN SCOTLAND**

### **MINUTES OF AUDIT COMMITTEE MEETING [47]**

**Online via MS Teams**

**09:45 on Tuesday 1<sup>st</sup> March 2022**

**Present:** Sue Evans (SE) (Chair), Angela Bonney (AB), Kirsty Macari (KM), Bruce Ross (BR) and Lynn Wilson (LW)

**Staff:** Jim MacDonald (JM) (CEO), Sue Reynolds (SR), Lynne Lineen (LL) and Val MacBeath (VM - Minutes)

**Guests:** Louisa Yale (LY) (Audit Scotland)

**Apologies:** Ann Allen (AA), Martin Ritchie (TIAA)

#### **1. APOLOGIES & DECLARATIONS OF INTEREST**

Apologies were received from Martin Ritchie.

There were no declarations of interest.

The Chair welcomed Louisa Yale to the meeting. Due to changes in portfolios within Audit Scotland Mark Ferris has moved to another part of the portfolio and LY will be taking his place as our new Senior Audit Manager. LY informed the Committee that the remainder of the team from Audit Scotland remains unchanged.

#### **2. PREVIOUS MINUTES AND MATTERS ARISING**

The previous Minutes of 2<sup>nd</sup> November 2021 and 7<sup>th</sup> December 2021 were AGREED.

The Committee noted the Matters Arising and no issues were raised.

#### **3. CEO GOVERNANCE STATEMENT AND MT STATEMENT OF INTERNAL CONTROLS**

The Committee **NOTED** the content of the report, and no issues were raised.

#### **4. 2021/22 Q2 PERFORMANCE REPORT**

##### **4.1 Finance**

##### **Highlights**

## Income

- The report shows that the total income for 2021/22 is budgeted to be £2,228,711 (2021/20 – total income £2,141,515), including c/fwd Income of £312,711 which is made up of Scotland+Venice of £162,451, Digital Strategy of £60,000, Decarbonisation 2020/21 Grant monies of £16,000 and Core Grant c/fwd 2020/21 of £59,716.

Summary of Income for 2021/22:

<b>INCOME</b>	£
<b>GRANT IN AID</b>	
CORE GIA	1,365,000
ADDITIONAL GIA FROM 2021/22	100,000
LEARNING ESTATE GIA	175,000
HEALTH GIA	130,000
ADDITIONAL GRANT CLIMATE ACTION TOWNS SG	146,000
<b>TOTAL GRANT IN AID INCOME 2021/22</b>	<b>1,916,000</b>
<b>FUNDING C/FWD FROM 2020/21</b>	
DECARBONISATION GRANT MONIES C/FWD SALARIES 2020/21	16,0000
SCOTLAND+VENICE - GRANT UNSPENT	162,451
DIGITAL STRATEGY	60,000
MATERIALS LIBRARY	9,544
C/FWD GRANT FROM PREVIOUS YEARS	59,716
<b>TOTAL GRANT C/FWD PREVIOUS PERIODS</b>	<b>312,711</b>
<b>TOTAL 2021/22 INCOME</b>	<b>2,228,711</b>

## Expenditure

- The total actual spend for the nine months to 31 December 2021 was £1,474,000 representing 66% of total income (M9 2020/21 - £1,141,000 - 52% of total income).
- A further £451,000 of expenditure was committed by Purchase Orders at 31 December 2021 representing 20% of total budgeted income (M9 2020/21 - £568,000 - 26%).

- Rent expenditure in relation to the Edinburgh office was prepaid in 2021/22 in relation to 2022/23 in the same manner as previous years.
- We received written permission from our Sponsor to carry forward funding from 2020/21 to 2021/22 in relation to the Scotland + Venice project which was delayed from Spring 2020 until May 2021 due to Covid-19. At M9, 2021/22 £122,000 of this balance had been spent and a further £8,000 had been committed. The balance will be utilised on events relating to What if?.... Scotland.
- The grant for Climate Action Towns of up to £146,000 will be claimed in line with actual expenditure. It is anticipated the full amount will be drawn down in 2021/22.

### **Net Income less Spend and Committed**

- The total net income not spent or committed at 31 December 2021 was £303,000. This represents 14% of our total budgeted income (M9 2020/21 - £482,000 – 22%).
- From this balance of £303,000, a total of £210,000 of expenditure was approved but not yet spent or committed at 31 December 2021 as per agreed budgets and the Business Plan.
- The total budgeted income not yet allocated to expenditure is £93,000. This includes £32,000 in relation to the Schools budget which has not yet been allocated to any expenditure.

### **Next Steps by Leadership Team (LT)**

The LT will continue to discuss the unallocated income of £32,000 for Schools with the Learning Directorate. The balance of uncommitted income of £61,000 will be allocated to expenditure authorised by the LT and is planned to be spent by 31 March 2022.

The Committee was encouraged to see such a proactive approach together with the inclusion of information showing where some of the spend is coming from which strongly indicated the LT is actively managing activity to achieve spend.

## **4.2 Risk**

The Committee's attention was drawn to the following two risks:

**Risk ID 1 – Cybercrime** – The LT reviewed this risk, and it was agreed cybercrime would remain our number 1 risk. In the last quarter we had commissioned a cyber report which identified actions relating to our licenses, which had been implemented to increase cyber security.

**Risk ID 8 – Loss of staff confidence in the organisation** – LT will be implementing changes to the way we are working within our Home Teams to rationalise and simplify the structure around roles to become more streamlined. The outcome would be shared with colleagues on 8 March 2022. This risk would remain on the risk register for the next update with a view to eventually being removed or substantially decreased.

The Chair thanked The LT for their work on the risk register.

## **4.3 Business Plan**

It was reported that several of the red ratings were due to factors outwith the control of A&DS. It was agreed that this issue would be recorded in a way to ensure the rag status reflected when we have completed our part of the work but a project has stalled due to external factors. The Committee suggested including an additional colour on the dashboard to represent projects which had been stalled by external factors. We are also looking at including what actions we are taking to get things back on track for red and amber projects.

The Committee welcomed the summarised format of the report which provided a good overview without the need to read the full pack. The Committee noted it was useful to see how projects move through the system.

The Chair thanked everyone for their contribution to the report.

The Committee **NOTED** the report.

## **5. INTERNAL AUDIT UPDATE**

It was reported that two audits were finalising this week, on Project Management and follow up items, and they would be reported in Q4 along with TIAA's final report for the year at the next Audit Committee meeting.

## **6. BENCHMARKING SICKNESS ABSENCE RATES**

The paper was presented noting that our sickness absence had reduced from the previous year and that A&Ds was in line with other public sector bodies. Procedures are in place to keep in touch with employees regarding sick leave and all employees meet monthly with their Welfare Manager and weekly at Tuesday Assembly.

The Committee **NOTED** the report.

## **7. GENERAL RESERVES**

The Committee noted the paper content on general reserves. It was noted that we do not hold reserves as we are not allowed to as a public body, any grant monies need to be spent in year, but provisions were made for issues such as dilapidations and holiday pay calculations at the end of each financial year.

The Committee **NOTED** the report.

## **8. ANY OTHER BUSINESS**

### **Timing of the forthcoming Audit**

LY reported to the Committee that Covid had impacted the timing and delivery of audit work across Audit Scotland and the prioritisation of the timings of audits would be based on statutory deadlines. It is therefore likely that the timetable we worked towards for the 2021/22 Audit would remain the same this year with the aim of starting the audit in October 2022. Discussions will continue with Audit Scotland throughout the year in the event this date could be brought forward. It was hoped that next year we would be back to pre-pandemic timescales. The Audit Plan will be brought to the next meeting.

The Chair asked LY to pass our thanks to Mark Ferris for looking after our Audit and being a very useful and helpful member of the team over the last few years.

### **Chair of Audit Committee**

The Committee formally noted this was the current chair's last meeting before retirement from the Board of A&DS. The Committee noted their thanks and appreciation of SE's contribution over the years, and this was echoed by CEO on behalf of the staff. SE noted her thanks to the team and passed her best wishes to her successor.

**Date of next meeting**

- Tuesday 31<sup>st</sup> May 2022

The next meeting would be hybrid and the Committee members will be given the option of continuing to attend future meetings remotely or in person.

The Chair thanked everyone for their attendance.

The Meeting closed at 10:45.

Signed: 

**Kirsty Macari, Chair**

Date: 25 August 2022