**SCOTTISH FORESTRY**

**DRAFT MINUTES OF THE AUDIT & ASSURANCE COMMITTEE MEETING**

**28 May 2024 – Saughton House and Microsoft Teams**

 **Present**

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| **Members** | Phil Taylor (PT), Non-Executive & Chair  |
|  | Eleanor Ryan (ER), Non-Executive  |
|  | Richard Morris (RMo), Non-Executive |
|  | James Stuart (JS), Non-Executive |
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| **Attendees** | Paul Lowe (PL), Chief Executive |
|  | Jonathan Taylor (JT), Head of Executive Office |
|  | Gary Henderson (GH), Senior Finance Manager |
|  | Angela Pieri (AP), Grant Thornton |
|  | Hannah McKellar (HM), Grant Thornton  |
|  | Louise Maclean (LM), Information Governance Manager |
|  | Louise Carmichael (LC) Senior Internal Audit Manager, Internal Audit, Scottish Government |
|  | Julie Maher (JM), Information Governance Manager (minutes) |
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| **Apologies** | Ross Machardie (RM), Head of Finance & Business Support |
|  | Alison Thomson (AT), Internal Audit, Scottish Government |
|  | Kate Moffatt (KM), Internal Audit, Scottish Government |

**Action Point Summary:**

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| **Action Point Ref** | **Description** | **Status** | **Completion date** | **Owner** |
| 03/23 | LM to continue to work with Internal Audit to continue its scrutiny (annual or as agreed) in this area and to share any changes to the current position (alternative/options) on grant succession, the revised relevant risk controls and link to corporate risk appetite at future AAC meeting. | **Closed** |  | LM/BC |
| 04/23 | Brendan Callaghan and new Delivery and Improvement Conservator to come to future meeting or SAG with an update on the training and development programme for operational/Conservancy staff.  | **Closed** | Discussion held at July SAG | BC / Matt Young |
| 05/23 | Discussion to be scheduled on Records Management for a future meeting. | **Closed**  | Future meeting, likely to be December post NRS feedback. Agreed December 2024.  | JT/LM |
| 11/24 | Issue the annual audit committee evaluation form to AAC members. | **Closed** | Evaluation issued | JT/LM |
| 12/24a | Review AAC tracker and incorporate amendments/improvements.  | **Closed** | Revisions made | LM |
| 12/24b | Review long dated recommendations to review and assess if the management position can be changed.  | **Closed** | Review made and proposals for closure | LM/JT |
| 13/24a | Review internal audit actions around improving procurement.  | **Closed** | Gary has reviewed | GH |
| 13/24b | Provide feedback to Internal Audit on ensuring documents are not embedded in their reports | **Closed** | Feedback provided | LM |
| 17/24 | Prepare a one pager on BCP testing, considering both internal and external elements. | **Closed** | Work underway. Approach to testing has been agreed.  | LM |

**1. Welcome, introductions, declarations of interest**

No declarations of interest.

**2. Minutes / Matters Arising**

**2.1** PL Guidance has been issued regarding the general election.

**2.2** Minutes agreed from last meeting, positive comments on the quality.

**2.3** **Action points discussed**

* 03/23 Outstanding action
* 04/23 Next SAG meeting this will be covered, then can be closed off
* 05/23 Records Management discussion will be scheduled for later in year, to remain open

Digital Business Partner has given some advice about engagement on it and whilst it is a useful platform we need to seek assurances before the organisation engages with it (Tree Health Team).

**Agreed other actions can be closed**

**Action point** JT/LM To issue the annual audit committee evaluation form to AAC members.

**3. Audit Tracker**

**3.1** The audit tracker has been amended and updated, and JT explained how useful it has been having internal audit engaged throughout process, and it will continue to evolve and improve.

**3.2** ER noted the hard work to address the actions and suggested a few points, that if the action delivery dates in each quarter can be clarified and ensure the numbers from different tabs all align. More widely if the older actions, especially from 2020 & 2021 actions could be reviewed, with either the management decision changed, if circumstances have changed or been superseded.

**3.3** AP explained the external audit report will support us understanding closed volumes

ER made suggestions on how to enhance the tracker, including showing updates over time, and trends of change. JS supported those suggestions and welcomed that we are getting better, and that we are moving at a better pace.

**3.4** PL noted the comments, and that the tracker is supporting us in driving forward some changes and pace of movement on the audit recommendations, and accepted we’ll look to update for the next meeting.

**Action point** LM to review tracker and incorporate amendments/improvements.

**Action point** LM/JT to review long dated recommendations to review and assess if the management position can be changed.

**4. Internal Audit Progress Report**

**4.1** LC discussed the progress report paper. The 2023/24 plan has been completed and the 2024/25 audit plan has been agreed. Internal Audit have provided reasonable assurance to Scottish Forestry and noted 6 recommendations for improvement, with medium priority recommendations. The other element is the BCP with 5 high priority and 3 medium recommendations. Noted that any reports shouldn’t have embedded documents within them when sharing.

**4.2** Progress for 24/25 is underway, with risk management audit due in Q2.

**4.3** RM sought assurance of any risks or challenges, such as resourcing pressures to completing the audit plan. PL and JT both note do not foresee an issue with resourcing in us achieving delivering the recommendations, e.g. on BCP, or supporting the upcoming audits.

**4.4** PT sought clarification on the procurement elements in the audit report. LC noted that it appears that in some areas the customer relationship is at risk of becoming over familiar and reminder on following procurement routes. Offer made to follow up between SGIA and GH.

**Action** **point** GH review the above around improving procurement.

**Action** **point** LM Provide feedback to Internal Audit re ensuring documents are not embedded in their reports

**5. Internal Audit Annual Assurance Opinion 2023-24**

**5.1** LC presented the report and was pleased to provide reasonable assurance across SF.

**5.2** ER You listed out a list of key factors, you spoke about follow up audits and what percentages are completed. How big a factor is that? If you’d had more time would this audit result have been better? LC No, the audit results are around results, from what we have seen vs what has been agreed and done.

**5.3** ER and JS We feel much better this year vs last year, I don’t think we would have been in this position this year without all the work and engagement with audit. PL Yes, working collaboratively with audit has made a difference, the culture is supportive and helps us to improve.

**6. Draft Governance Statement**

**6.1** GH presented the draft governance statement. No substantive comments raised and approved.

**6.2** PT asked what training records were kept for staff, JT noted that we do have them, for new and existing staff. PT also commented on some mixed/duplicate language around Timber Transport and the Chief Forester, that GH would check and amend.

**7. Losses & Special Payments**

**7.1** Approval for various amounts through the year, with just over £1200, including parking tickets and damage to a vehicle. No comments made.

**8. External Audit Update from Grant Thornton**

**8.1** AP thanked colleagues for their help in their work and noted the liaison meetings, with this group, CEO, and GH. They have received accounts as per agreed deadlines. Round 1 of audit has happened, round 2 still to be done. Still awaiting info re CETV (Cash Equivalent Transfer Value), national issue affecting lots of bodies.

**8.2** HM noted that payroll information sits with FLS, and they are working on getting us the info. We now have grant system access, which will be helpful for us and hopefully we can ease pressure on grants team too now we have this. Audit outputs will be in two parts as Angela explained. Financial first, then wider scope audit, with phase two being the completion of finance, in mid-July-end of August.

**8.3** PL thanked Grant Thornton and good to get their feedback. We have worked on making improvements, would have been good to have got you access quicker. Noted that engagement has been good again and which is making improving the relationship.

**8.4** PT asked if Grant Thornton is comfortable with achieving timescales set out in their plan, nothing coming up that would cause concern? HM nothing to note currently.

**9. Update on Business Continuity Arrangements**

**9.1** JT introduced the paper and reflected on the recent internal audit on Business Continuity. Since the audit we have discussed an approach to meeting the recommendations, and PL has provided a clear steer on priorities and best practice. A body of work was now underway, as noted in the paper and we have joined the BCP Networks, which is already paying dividends in terms of support in the area. We will do a deeper dive and come back to the committee with the revised plan. JT wanted the good work on the BCP to be passed on to JM and LM.

**9.2** ER welcomed the updated and thanked the team for the assurance on the work to address the recommendation. JS also grateful for the responses around the BCP and felt much more assurance on the issues highlighted and the direction of travel.

**9.3** RMo noted the good progress and suggested including points on training within the document are we training people on the BCP and creating awareness of responsibilities? PL noted there would be an assumption that this would be included, and we'll look at including training more explicitly.

**9.4** JS suggested that testing often best done in small steps and would do a couple of internal trials first. PL agreed, this organisation is already good at responding to incidents, but we need to get the paperwork and the BCP in a better placed first. LC agree with discussions and training is essential on this, audit is happy to support if needed.

**Action point** LM to draft together a one pager outlining BCP testing, considering both internal and external elements.

**10. Quarterly Information Governance Report**

**10.1** JT provided the update from the IGG.

**10.2** JS pleased to see you linking in with other environmental organisations on FOIs, and wondered how we work with SG core teams? JT noted we have been engaging with the FOI Unit on EIR interpretation and consistency (which is what we mainly deal with). We have several work areas underway to try and improve our FOI performance, resilience and compliance, including training on redactions, automated redaction tools and process charts.

**10.3** JS also noted that work on revising the unacceptable behaviours work has begun, that’s important work to do in terms of supporting our staff. JT thanked the committee for their supported and note the significant work by Julie Maher in unpacking the existing arrangements and liaising with staff on what they would find useful in their day-to-day work.

**10.4** PT asked what most of your FOI’s are about? JT around 80 – 90% are operational issues, felling and woodland creation queries. There are a lot of people who want to interrogate large scale funding, that’s what they want to know. Is it rare that they find anything we have not followed due process but disagree with the policy position. We know that we have improvements to make to the way we handle FOIs and the training and guidance to staff is a priority. PL recognised there has been a significant change in the way people engage with public bodies, there are several legitimate routes they take. To minimise impacts we need to keep improving and looking for better ways of providing good public services.

**11. AOB**

None

Meeting closed