**SCOTTISH FORESTRY**

**APPROVED MINUTE OF THE AUDIT & ASSURANCE COMMITTEE MEETING**

**20 August 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 |
| **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 |
|  | Alison Thomson (AT), Internal Audit, Scottish Government |
|  | Kate Moffatt (KM), Internal Audit, Scottish Government |
| **Apologies** | None |

**Action Point Summary:**

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| --- | --- | --- | --- | --- |
| **Action Point Ref** | **Description** | **Status** | **Completion date** | **Owner** |
| 18/24 | PT to circulate AAC self-assessment summary. | **Open** | ASAP | PT |
| 19/24 | Invite AT to UK Forestry Standard training event run by the ICF. | **Open** | When training opens | JT / LM |
| 20/24 | PL to sign Annual Report and Accounts. | **Closed** | 20/08/2024 | PL |
| 21/24 | LM to collate feedback to ensure that it is included within the plan and supporting documentation and processes. | **Closed** | 22/08/2024 | LM |
| 22/24 | LM to circulate automated redactions overview paper to Non-Executives. | **Closed** | 21/08/2024 | LM |

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

**1.1** The Chair welcomed all to the meeting. There were no declarations of interest.

**2. Spending Controls**

**2.1** JT and PL informed the meeting of the recent instruction received from Scottish Government to all public bodies in relation to the implementation of emergency spending controls to reduce budgetary pressures in-year. A series of slides summarising the spending controls was shared with the committee.

**2.2** PL advised that the Senior Executive Team have met a number of times on this matter and staff communications were being issued. He had also met, alongside other officials with the Cabinet Secretary for Rural Affairs, Land Reform and Islands to discuss potential savings in areas of discretionary spend.

**2.3** Savings proposals have been submitted to the Cab Sec as part of portfolio exercise with the outcome awaited. A message was circulated to staff on 15 August and a further, more detailed briefing was circulated on 19 August. A staff Q and A document was being developed.

**3. Minutes, Actions, Matters Arising and Evolving Business Services Update**

**3.1** The minutes from last meeting were agreed.

**3.2** All action points had been closed since the May meeting.

**3.3** PT advised that he would circulate a summary of the results from the recent Audit and Assurance Committee self-assessment.

**3.4** PL introduced the Evolving Business Services update. He informed the Committee of the rationale for the project and progress to date. It was noted that the new finance and expenses systems had both been successfully implemented.

**3.5** GH informed the Committee that some minor, non-systemic issues had been identified, but these had been resolved. A payment run was made and was successful. We are now transitioning to business as usual.

**3.6** The learning and development workstream had been closed with the successful transition to the Scottish Government’s Pathways platform. The Human Resources workstream was more complex, involving the transfer of some case related and other activities from FLS to SF. An in-house HR team consisting of a Senior HR Business Partner, HR Business partner, HR Advisor and a People Team Administrator were in place. AT asked for sight of the forth coming UK Forestry Standard training module and an invite to an event.

**3.7** The Committee was hugely appreciative of the work across these projects and the hard work from colleagues in bringing these complex and multi-year projects to successful conclusion; the Non-Executive Advisors thanked all those involved.

* **Action point:** PT to circulate AAC self-assessment summary.
* **Action point:** Invite AT to UK Forestry Standard training event.

**4. Audit Tracker**

**4.1** JT introduced the audit tracker. A number of changes had been made since the May meeting. A number of long-dated outstanding actions had been closed after subject matter experts provided updates on the current position. These had been accepted and feedback was received from Internal Audit, this would be included in the commentary. The Committee noted the work in delivering a step change in addressing and completing the audit recommendations.

**4.2** KM stated that Scottish Forestry were ahead of the Global Internal Audit Standards by having the audit recommendation tracker in place.

**5. Internal Audit Progress Report**

**5.1** KM introduced the report and provided a summary. Activities were on track for completion within the agreed timescales.

**5.2** AT informed the Committee that 2 reviews were underway and the remaining reviews were scheduled. Terms of reference would be issued by the end of the week. Advisory work on the new finance system was underway.

**5.3** The Committee thanked audit colleagues for their work and noted the report.

**6. Directorate for Internal Audit and Assurance Report 2023/24**

**6.1** KM informed the Committee that the Global Internal Audit Standards were changing and that a gap analysis was being undertaken to identify possible areas of impact. Internal Audit would keep Scottish Forestry informed of any upcoming changes that would affect the Agency.

**6.2** The Committee noted the report.

**7. Scottish Forestry Annual Reports & Accounts 2023/24**

**7.1** GH introduced the Annual Report and Accounts. The papers were submitted to Grant Thronton within the agreed timescales. GH noted that the process was more effective this year with more detailed information on grants being available and a quicker response time on human resources and payroll data. GH thanked AP and HM for theirsupport throughout the process.

**7.2** JS commended the completeness of the summary and wider narrative. He noted a really well written style and that it captured activities undertaken during the last year and that it reflected the significant efforts of staff across the Agency.

**7.3** PL and PT congratulated GH and the Finance Team and all those involved, on the quality and production of the accounts, and they also thanked AP and HM for the good relationship Grant Thornton had built with the team.

**7.4** The Annual Report and Accounts was agreed and would be signed by PL that day. Thereafter it would be submitted to the Cabinet Secretary before being laid before parliament.

* **Action point:** PL to sign Annual Report and Accounts.

**8. External Audit - Annual Audit Report 2023/24**

**8.1** AP introduced the paper. The adjustments raised had been resolved and had been complete for several weeks. She thanked GH for his work and stated that Grant Thornton intend to issue an unmodified opinion.

**8.2** HM gave an overview of the report and noted that the absence of information on pensions was a wider issue and that Scottish Forestry were not the only organisation to be in this position. HM thanked GH and his team.

**9. Business Continuity Arrangements**

**9.1** JT introduced the paper and provided an update on the work to update business continuity arrangements. The Business Continuity Plan was approved by the Senior Executive Team in July and that work was ongoing in producing the summary, policy and other supporting documentation and identifying training/testing opportunities. The plan served as a hub, from which lots of elements hung and crucially work to address cultural change on how important business continuity was within the agency.

**9.2** PL stated that while there is a positive culture to respond to big issues, there is gap in embedding the governance, processes and procedures around our response. The new governance arrangements would be better documented, subsequent communications and testing would all help to embed business continuity within Scottish Forestry.

**9.3** RMo stated that changing the culture around the importance of business continuity enabled responsibility and accountability. The scenarios were useful and with the addition of some training and enhancing/clarity on the layers of contact, the plan would be further strengthened.

**9.4** ER asked how communications would be handled in light of a major IT outage. GH informed the Committee that an externally hosted messaging service was being explored. It was noted that there would need to guidance on communications preferences, and rank for events.

**9.5** JS said that placing the culture, people and values section at the start of the plan set a good tone. He stated that it was important to ensure that the communications and governance methods and processes were comprehensive and practical, e.g. the log. It was also noted that it’s important to have clarity on expectations in a crisis to ensure instructions are understood.

**9.6** PT highlighted the importance of a documented decisions log and if there was a major business continuity incident and to ensure that cover arrangements were in place to avoid burnout if the incident was prolonged.

**9.7** Overall the Committee noted that significant effort have been made to progress this work within a short timescale and thanked Louise for driving this work forward in a clear and practical way.

* **Action point:** LM to collate feedback to ensure that it is included within the plan and supporting documentation and processes.

**10. Quarterly Information Governance Report**

**10.1** JT introduced the paper and provided a summary. He noted the recent decision from the Scottish Information Commissioner and that while there were no actions to be taken as a result of the decision, there were some learning points that would be actioned.

**10.2** The strategic risk register and issues log has been updated and presented to the Senior Executive Team. It would continue to be refined and evolve to ensure that it meets the needs of the agency.

**10.3** It was noted that, once complete, the automated redactions project had the potential to alleviate pressures across the agency, including the Public Register, by reducing the time taken to redact documents for release.

**10.4** There was some discussion around next steps to progress the project and the Committee would welcome sight of summary of the project.

**10.5** JT updated the Committee on actions taken since the last meeting to progress work on unacceptable behaviours. Scottish Forestry were adopting the Scottish Government’s official policy. Colleagues have held workshops and worked with conservancies to identify what support and training staff required. These recommendations had been put forward to the Senior Operations Group to consider and feedback on implementation.

* **Action point:** LM to circulate automated redactions overview paper to Non-Executives.

**11. AOB**

**11.1** PL updated attendees on staffing changes in respect of the Director-General Net Zero, with Michelle Quinn taking this role on a temporary basis.

11.2 PT expressed his thanks and that of the other attendees for the quality of the papers and organisation of the meeting, noting that it was rare for attendees of an audit committee to note that they had enjoyed reading the papers.

**11.3** There was no further business and the meeting was closed.