

Audit and Risk Committee Meeting held on Monday 23 September 2024, 09:00 – 10:00
via Microsoft Teams

DRAFT SUBJECT TO APPROVAL AT THE 25 NOVEMBER 2024 COMMITTEE MEETING

Committee Members:

Marie Fallon (MF), Chair
 Richard Dixon (RD)
 Neil Oakley (NO)
 Morag Sheppard (MS)

Attendees:

Internal Audit (IA)

Douglas Falconer (DF), Senior
 Internal Audit Manager

External Audit (EA)

Satinder Jas (SJ), Director, Deloitte LLP
 Liam McHugh (LM), Assistant Manager,
 Deloitte LLP
 Rashid Zaman (RZ), Manager, Deloitte
 LLP

Attendees:

ESS Team

Mark Roberts (MR), CEO
 Rebecca Peppiette (RP), Head of
 Corporate Services and Communications
 Rebecca Liu (RL), Interim Finance and
 Accountancy Advisor
 Charlotte Lowe (CL), Governance Lead
 (Minutes)

Apologies:

Iain Burns (IB), Lead Senior Internal Audit
 Manager
 Rebbeca McConnachie (RM), Senior
 Manager – Audit and Assurance, Deloitte
 LLP
 Pat Kenny (PK), Partner, Deloitte LLP

1.	Private session
2.	<p>Welcome and declaration of interests</p> <p>The Chair welcomed the Committee and attendees to the meeting. There were apologies from Pat Kenny and Rebbeca McConnachie from External Audit and Iain Burns from Internal Audit.</p> <p>There were no declarations of interest.</p>
3.	<p>External audit</p> <p>SJ presented the ISA 260 on behalf of the External Audit team and shared details of two material errors reported in the document. The Committee noted ESS' materiality</p>

is low and discussed the presentation of the errors, highlighting that, with regards to the IFRS 16 error, the advice given by the Scottish Government did not correspond to calculations carried out by Deloitte. SJ noted that this would be fed back to the Scottish Government and Audit Scotland and the wording of the report would be updated to reflect this context.

The Committee expressed their thanks to the ESS team and Deloitte for all the hard work to achieve a positive outcome under the challenging timescales and conflicting advice.

Action: to update ISA 260 wording regarding the IFRS 16 error and to feed back details of calculation guidance queries to the Scottish Government and Audit Scotland.

SJ also reported four disclosure errors relating to ESS' remuneration report. Noting the impact of delays to the release of pension-related information by the Cabinet Office, subsequent expedited timelines for completion, and the timely correction of these errors, SJ agreed to update wording to reflect this context.

Action: to update reporting of four disclosure errors to highlight expedited timelines.

On wider scope areas, the Committee noted positive feedback and requested that the 'partially implemented' action relating to consideration of publishing Board papers be updated to 'fully implemented' as the Board had taken a decision on this matter.

Action: to update action status of consideration of publishing Board papers to 'fully implemented'.

The Committee agreed to provide the Board with a summary of these discussions.

4. ESS Team

RP presented the next steps for publication of the Annual Report and Accounts, noting that subject minor changes received by correspondence and subsequent

approval, the team would prepare for laying in the Scottish Parliament on 31 October 2024.

The Committee approved the draft Annual Report and Accounts for submission to the Board, subject to minor revisions recommended in discussion. The Committee thanked the ESS team and Deloitte for their work on the annual audit.

Marie Fallon

Chair, Environmental Standards Scotland Audit and Risk Committee

[DATE]