

DRAFT Minutes of the Audit and Risk Committee Meeting held on Monday 20 January 2025, 14:00 – 15:30

Galloway, Thistle House, 91 Haymarket Terrace, Edinburgh, EH12 5HD and via Microsoft Teams

DRAFT SUBJECT TO APPROVAL AT THE 7 APRIL 2025 COMMITTEE MEETING

Committee Members:

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

Attendees:

Internal Audit (IA)

Iain Burns (IB), Lead Senior Internal Audit Manager

External Audit (EA)

Ian Howse (IH), Director, 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), Financial Accountant
Kirsty Laing (KL), Business Support Officer
Charlotte Lowe (CL), Governance Lead (Minutes)

Apologies:

Douglas Falconer (DF), Senior Internal Audit Manager
Arslan Janjua (AJ), Assistant Manager, Deloitte LLP
Mo Ramzan (MRa), Director, Deloitte LLP

1.	Private session
2.	Welcome The Chair welcomed Audit and Risk Committee ('the Committee') members and attendees to the meeting, and led a round of introductions for new attendees Kirsty Laing and Ian Howse. There were apologies from Douglas Falconer, Arslan Janjua and Mo Ramzan. There were no declarations of interest. [At this point RZ left the meeting.]

3. Finance

RP provided an update on expenditure against the 2024/25 budget, noting that year-end projections were on target.

RP presented the draft budget for 2025/26, highlighting a minor increase to the expert advice budget since the Committee's November 2024 review and noting discussions are ongoing with the Scottish Government (SG) regarding ESS' capital allocation.

In discussion, the Committee:

- acknowledged the year-on-year decrease in ESS' underspend and noted that the in-year return of funds could no longer be expected beyond standard public service reform efficiencies
- noted that the procurement service is currently working well and has sustainability criteria embedded in the process
- requested the ESS team undertake a benchmarking exercise against the budget of a comparator organisation
- approved the draft budget for onward consideration by the Board

Action: to undertake a benchmarking exercise against the budget of a comparator organisation.

RP presented ESS' 10-year budget profile, noting that the projections are at an early stage of development and based on conservative assumptions and current staffing levels. MR provided an update on ESS' potential future monitoring functions, noting that discussions are ongoing with the SG regarding estimated resource requirements.

The Committee noted the value of this work and requested the 10-year profile be brought to the February 2025 Board meeting for consideration.

Action: to share the 10-year profile at the February 2025 Board meeting.

4. Any other business

The Chair highlighted the Committee's development session is scheduled for April 2025 and that planning is underway.

Marie Fallon

Chair, Audit and Risk Committee

Environmental Standards Scotland

[DATE]