

**DRAFT Minutes of the Audit and Risk Committee meeting held on Monday 24 November 2025, from 14:00 – 17:00 via Microsoft Teams**

**DRAFT SUBJECT TO APPROVAL AT THE 26 JANUARY 2026 COMMITTEE MEETING**

**Audit and Risk Committee:**

Marie Fallon (MF), Chair  
Neil Oakley (NO)  
Morag Sheppard (MS)  
Chris Spray (CS)

**Internal Audit (IA)**

Iain Burns (IB), Lead Senior Internal Audit Manager

**External Audit, Deloitte LLP (EA)**

Simba Jana (SJ), Director  
Rashid Zaman (RZ), Manager

**Attendees:**

**ESS Team:**

Mark Roberts (MR), Chief Executive  
Rebecca Peppiette (RP), Head of Corporate Services and Communications  
Rebecca Liu (RL), Financial Accountant  
Calum Ross (CR), In-house Solicitor  
Alisdair Stapley (AS), Governance Lead  
Kirsty Laing (KL), Business Support Officer  
(Minutes)

**Apologies:**

Kate Moffat (KM), Lead Senior Internal Audit Manager  
Marketa Andrews (MA), Internal Audit Manager

<b>1. Private session</b>	<p>The members of the Audit and Risk Committee ('the Committee'), internal audit and external audit attended a private session.</p>
<b>2. Welcome</b>	<p>The Chair welcomed the Committee members and attendees to the formal meeting, as well as the new Governance Lead, AS.</p> <p>The Committee noted the Chair and two members attending the Government Internal Audit Agency (GIAA) meeting in November 2025. In discussion, the Committee members</p>

	<p>that attended found the session helpful and will be exploring links with other smaller Non-Governmental Organisations on lessons learnt.</p> <p>There were apologies from KM and MA with the Chair noting the attendance of IB in their place.</p>
<b>3.</b>	<p><b>Minutes and matters arising</b></p> <p>The minutes of the previous meeting on 22 September 2025 were approved.</p> <p>The running list of matters arising and audit tracker were provided for the Committee's information.</p>
<b>4.</b>	<p><b>Finance</b></p> <p>RL presented an update to the 2025/26 expenditure to date. In discussion, the Committee:</p> <ul style="list-style-type: none"> <li>• noted the longer-term financial resilience planning, such as utilising office space and flexible meeting solutions</li> <li>• noted new items of expenditure, including the expansion of the current occupational health offer and third-party support for external audit recommendations</li> <li>• discussed 2026/27 planning in the context of the delay to 2026/27 budget announcements, now expected on 13 January 2026</li> </ul> <p>The Committee noted the expenditure to date.</p>
<b>5.</b>	<p><b>Risk management and assurance</b></p> <p>MR presented departmental and cyber risk registers in development as part of the wider Risk Management Review. In discussion, the Committee:</p> <ul style="list-style-type: none"> <li>• noted the positive structure of the registers, in particular highlighting the bottom-up approach to risk management</li> <li>• discussed the structure of the cyber risk register, recommending the addition of an overarching cyber risk rating</li> </ul>

	<ul style="list-style-type: none"> <li>highlighted further amendments in presentation and overall moderation across the registers</li> </ul> <p>The Committee noted the paper.</p>
<b>6. Governance</b>	<p>AS presented a six-monthly update on the progress against ESS' Performance and Management Indicators (PMIs). In discussion, the Committee:</p> <ul style="list-style-type: none"> <li>noted the general trends reflected in the PMI figures</li> <li>considered the distribution of work between departments based on the update</li> </ul> <p>The Committee noted the update.</p> <p>RP presented a refreshed set of PMIs alongside an updated methodology for describing and evidencing ESS' work each year. In discussion, the Committee;</p> <ul style="list-style-type: none"> <li>considered the differences between PMIs which delivered against strategic and operational objectives</li> <li>discussed how the new PMIs feed into Key Performance Indicators (KPIs) approach</li> <li>noted the importance of providing a robust picture of delivery against statutory functions</li> <li>reflected on the spread of new PMIs across the draft 2026 – 2031 strategic objectives</li> </ul> <p>The Committee noted and approved the updated set of PMIs and report approach, subject to amendments that were discussed at the meeting, for onward approval for the Board.</p>
<b>7. Internal Audit</b>	<p>IB presented the November 2025 Audit Committee Progress report 2025/26. The report included the initial planning for the assurance review of information security arrangements and further assurance work that will take place throughout 2025/26.</p>

	<p>IB noted there will be changes to the Internal Audit team due to recent staff changes.</p> <p><b>Action:</b> IB to provide an update to ESS' when the details of the IA team are confirmed.</p>
<b>8.</b>	<p><b>External Audit</b></p> <p>External Audit (EA) gave a verbal update on the planning stages and interim work for ESS' 2026/27 annual audit.</p> <p><b>Action:</b> EA to meet with ESS' to reflect on the 2025/26 annual external audit process.</p>
<b>9.</b>	<p><b>Any other business</b></p>

**Marie Fallon**

**Chair, Audit and Risk Committee**

**Environmental Standards Scotland**

**[DATE]**