



<b>Audit and Risk Committee (ARC)</b> <b>Minute of Meeting</b>  25 May 2021 1400hrs Microsoft Teams Meeting	
Chair	Andrew Harvey, Audit and Risk Committee Chair
Present	Tim Wright, Audit and Risk Committee Member Christine Martin, Audit and Risk Committee Member
In attendance	Janet Egdell, Accountable Officer Chief Finance Officer (HB) Head of Finance (EG) Audit Director, Audit Scotland, (AS) (CG)
Apologies	Julie Wardhaugh, Audit and Risk Committee Member Senior Manager, Audit Scotland (AS) (MC)
Secretariat	Secretary to Audit and Risk Committee (JM)

### 1. Introduction, apologies, and chairman's matters

1.1 Andrew welcomed everyone to the meeting and noted the apologies received as above.

### 2. Declaration of interests

2.1 No new declarations of interest were made.

### 3. 2020 / 2021 interim audit management letter

3.1 The Audit Director provided an oral overview of the key highlights in the interim audit management letter which concludes that appropriate controls were in place for the key financial systems reviewed with the exception of the new payroll system, and that key control weaknesses identified in this system are in line with Scottish Government Internal Audit (SGIA) findings. Less significant key control issues were also identified within other financial systems.

3.2 The Committee noted the interim recommendations made and agreed that the new issues outlined in annex b will be added to the outstanding issues log, and that payroll recommendations in annex a should just be cross referenced or incorporated as a single item on the log to avoid any duplication.

3.3 The Committee noted the overspend of the Digital HR project as highlighted in the report, and heard that this project cost significantly more than was originally approved largely due to an implementation delay caused by the COVID pandemic. The Audit Director agreed to clarify this point in the final report.

3.4 The Committee discussed the omission of VAT from the original Digital HR costings and were reassured to hear that lessons have been learned from this for future projects.

3.5 The Committee noted the lack of audit reporting functionality finding as highlighted in annex a and was reassured to hear that the integrity of the data gathered for the audit report pack has not been impeded in the process.

3.6 The Committee thanked the Audit Director for the interim report and looks forward to receiving the final report at the August meeting.

#### **4. Any other competent business**

4.1 No other business was raised.

#### **5. Meeting close**

5.1 The meeting closed at 14:22hrs.

5.2 Date of next BAU meeting:  
20<sup>th</sup> August 2021  
1030hrs  
Microsoft Teams meeting