



FORESTRY AND LAND SCOTLAND AUDIT AND RISK COMMITTEE (ADDITIONAL MEETING)

2pm, 9 February 2024, MS Teams

Present:

Members: Mark Pountain (MP), Chair, Non-Exec
Clea Warner (CW), Non-Exec
Therese O’Donnell (TO), Non-Exec
Jo O’Hara (JO), Non-Exec

Attendees: Simon Hodgson (SH), Chief Executive FLS
Michael Hymers (MH), Director of Corporate Services FLS
Donna Mortimer (DM), Chief Financial Officer FLS
Rhondda Salmond (RS), Change Manager FLS
Hannah McKellar (HM), Grant Thornton UK LLP (External Audit)
Angela Pieri (AP), Grant Thronton UK LLP (External Audit)
Sophia Christopoulos (SC), Secretariat Assistant FLS (Minutes)

Others: Colin Buchanan (CB), Senior Finance Manager FLS

Apologies: Kate Moffat (KM), Head of Internal Audit, SGIAD
Alison Thomson (AT), Internal Audit, SGIAD
Amy Beveridge (AB), Internal Audit, SGIAD
Jennie Smith (JS), Financial Controller FLS

Action Point Summary:

Action Point Ref	Description	Status	Owner
02/2020	Management Information & Financial System Project Update.	Open	Donna Mortimer
10/2023	MH to provide update on mandatory training to support upskilling staff on cyber security and related matters.	Open	Michael Hymers
11/2023	Additional ARC meeting to be arranged to discuss ARA lessons learned outcomes and agree the audit plan for the next financial year.	Open	Sophia Christopoulos
12/2023	RS to consider approach to review of Risk Management approach and present as Deep Dive theme at next meeting.	Open	Rhondda Salmond
01/2024	Additional ARC meeting to be arranged between March and June 2024 meetings to provide assurance	Open	Sophia Christopoulos

	that the audit plan remains resourced and deliverable.		
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1. PRELIMINARIES/INTRODUCTIONS

MP welcomed everyone to the February FLS Audit and Risk Committee (ARC) additional meeting. He outlined the purpose of the meeting, which is to provide assurance to ARC members that there is a clear plan to deliver the Annual Report and Accounts (ARA) 24/25 within the agreed timeframe.

Conflict of Interests

There were no conflicts of interests declared.

2. MINUTES OF LAST MEETING AND ACTION POINTS

Due to the nature of this meeting, the previous actions and minutes were not discussed. These will be covered at the next formal ARC meeting on 11 March 2024.

3. ANNUAL REPORT & ACCOUNTS FY 23/24 – PREPARATION

3a. FLS Plan and Timetable

DM summarised the paper provided and highlighted the ARA for FY 24/25 timetable, noting the critical deadline of 7 June 2024 for FLS. She outlined the benefits of the lessons learnt session that was held between Grant Thornton and FLS key leads, with agreed actions. She added that the interim audit is currently underway, with good progress made to date.

DM then handed over to AP and HM to provide Grant Thornton’s perspective.

3b. External Audit Plan and Timetable

HM began by commenting on how the knowledge gained from last year’s audit will significantly expedite the process for this year. She provided assurance that, where possible, early testing on income and expenditure will be performed so that this is complete in advance of peak holiday periods. She informed the ARC that materiality levels have increased due to the testing and that this will mean smaller sample sizes. More detail on this will be provided in a report at the ARC meeting in March. She summarised the enquiries that have been progressed to relevant leads, thanking the teams that have met with them so far.

Early testing is targeting 13 key areas in income, expenditure and payroll, with 10 already sampled in the past week. Of these 10, Grant Thornton has received supporting documentation for 50%, while the other 50% remain with FLS. The three final areas to sample will be performed next week. She also confirmed that the interim testing covers the first nine months of the financial year.

HM echoed that the lessons learnt session was very useful, noting the actions that Grant Thornton have taken away. These include detailed sample trackers, more oversight on a sample by sample basis, weekly conversations with the FLS Finance Team and end of week updates on progress. A high level plan with date deadlines has been developed in order to avoid the issues experienced last year. She explained that a meeting will be held at the end of February with the valuers in order to ensure approaches are aligned.

MP thanked HM and AP for the update before opening the discussion to the floor.

JO sought clarity on the changes made by Grant Thornton to avoid the same issues as last year. AP responded that a significant factor is the knowledge base being brought into year two. This, alongside a more established relationship between the Grant Thornton and FLS teams has enabled a much stronger position for the coming financial year. HM added that the interim testing is also a significant change as this was not done last year.

CW inquired as to what possible challenges FLS may experience in returning information to Grant Thornton. DM responded that resourcing is a significant challenge. Ensuring there is resilience within the team when members of staff are on leave or absent is vital as well as receiving advance notice from Grant Thornton with their requests.

She added that clear, consistent communication is key to ensure effective collaboration. MH echoed the need for more clarity in communication and that directness is paramount. AP agreed, appreciating that relationships take time to build. She noted the difficulty of remote working and their intention to undertake on-site visits where appropriate. Additionally, further meetings will be arranged to maintain communication.

SH stressed the importance of establishing a realistic plan for the audit, particularly as a new Accountable Officer will be starting in early April 2024. He expressed confidence in the current plan and thanked leads for addressing issues and progressing.

TO sought clarity on the escalation process, seeking assurances that any issues delivering the audit plan are identified and addressed in a timely manner so as to prevent further bottlenecks. DM responded that a “traffic light” system has been suggested and some broad guidelines will be developed to manage this. She confirmed that she will discuss this further with AP outside of the meeting. AP stressed the importance of timeliness in escalating issues, citing the need for more regular meetings to support this.

MP verified the date for the 10 June 2024 ARC meeting. The timetable will be confirmed once Grant Thornton have undertaken the interim audit in order to ensure that the dates align with scheduled ARC meetings. MP requested updates from both FLS and Grant Thornton leads to provide the ARC with ongoing assurance, particularly between the March and June ARC meetings. It was agreed that an additional ARC meeting would be arranged for late April/early May 2024.

MP requested that Grant Thornton send their Audit Plan by 6 March 2024 to allow time for the Non-Execs to review ahead of the ARC meeting on 11 March 2024. HM confirmed that the draft plan will be complete by 21 February 2024, management responses will be reviewed by 28 February 2024, and a finalised plan will be complete by 4 March 2024.

MP thanked everyone for their time and contributions before drawing the meeting to a close.

Action:

01/2024: Additional ARC meeting to be arranged between March and June 2024 meetings to provide assurance that the audit plan remains resourced and deliverable.

4. ANY OTHER BUSINESS (AOB)

There were no AOB items raised.

5. CLOSE

Date of next meeting confirmed as Monday 11th March 2024 at 10.30am.