

Audit and Risk Committee Meeting Minutes
7 October 2024 10:00 – 10:20
Via Video Conference



Committee Members

Professor David Ulph - Chair
Professor Francis Breedon
Professor Domenico Lombardi
Sarah Pumfrett - External Member

Attendees

John Ireland - Chief Executive
Stuart Kenny - Associate Partner, Deloitte LLP
Louise Carmichael - Scottish Government Directorate for Internal Audit and Assurance
Susie Warden - Head of Strategy, Governance and Corporate Services
James H White - Governance Manager – secretariat

Apologies

Professor Graeme Roy - Chair, Scottish Fiscal Commission
Catriona McConnell - External Member
Rebecca Smith - Audit Manager, Deloitte LLP
Claire Murdoch - Head of Fiscal Sustainability and Public Funding
David Stone - Head of Economy and Income Tax
Michael Davidson - Head of Devolved Taxes and Social Security

1. Welcome and Introduction

David Ulph opened the meeting, highlighting that this was an additional meeting to consider the Annual Report and Accounts, and that the usual format and agenda would be resumed for the next meeting scheduled for 11 November 2025.

The minutes of the meeting held on 19 August 2025 were agreed as an accurate record. Apologies as given above were noted. There were no declarations of any interest in the agenda items, nor was there notification of any other items of business.

2. Annual Report and Accounts for the year ending 31 March 2025

John Ireland thanked Deloitte LLP and the Commission's Corporate Services Team for their hard work producing the Annual Report and Accounts, noting that the substantive issues had been addressed in the Annual Report and Accounts. He commented that the move from SEAS to Oracle Cloud in October 2024 had presented issues in producing the accounts for 2024-25. He also highlighted concerns about the adequacy and responsiveness of the finance and accountancy shared services provided by Scottish Government in support of the audit work. These had had a notable impact on the audit process.

David Ulph commented that the Annual Report reflected well on the work of the Commission.

Sarah Pumfrett noted that other public bodies had similar issues with the Scottish Government's shared services. She added that another factor was a change in auditing standard which, also in common with other public bodies, had impacted on the audit work for 2024-25. Stuart Kenny explained that the regulator required more stringent

standards, and as a result additional quality assurance had been included as part of this year's audit work. However, he felt that provides additional assurance to the Committee.

Stuart Kenney confirmed that Deloitte LLP would be giving an unmodified opinion on the financial statements. He noted an issue identified by MYCSP actuaries in the prior year pension disclosure but there had been positive engagement with SFC staff to resolve this. Although a number of control recommendations had been made, none of them impacted on the overall audit opinion. He noted that of the three amber quality indicators, two were due to the limited support from Scottish Government shared services and the remaining indicator reflected the MyCSP actuary issue.

It was confirmed that Deloitte LLP had completed its work and, subject to approval of the Committee and Governance Board, was ready for the Annual Report and Accounts to be signed later today.

On the recommendation of David Ulph, the Audit and Risk Committee:

- noted Deloitte LLP's Annual Audit Report including the management responses; and
- agreed to recommend that the Governance Board should approve the Annual Report and Accounts for the year ended 31 March 2025.

3. Any other business

John Ireland thanked David Ulph and Francis Breedon for their contribution to the work of the Committee as Chair and member respectively and wished them well for the future after their appointment as Commissioners ends today. This was echoed by Sarah Pumfrett who appreciated their support when she became an external member of the Committee.

David Ulph recorded his thanks to Susie Warden and James White for the support they have given to him as Chair of the Committee. John Ireland also noted that this would be the last Annual Report that James White would be involved in, thanking him for his support since joining the Commission over seven years ago.

4. Date of Next Meeting

The next standard Audit and Risk Committee meeting is scheduled for Tuesday, 11 November 2025.

Scottish Fiscal Commission: Strategy, Governance and Corporate Services
7 October 2025