

**Meeting of the  
Advisory Audit Board  
of the  
Ethical Standards Commissioner**  
held on  
24 September 2025 14:30 -16:30  
at Thistle House, Edinburgh

**Present:**

David Watt (Chair), Advisory Audit Board (AAB)  
Siobhan White (SW), AAB

**In Attendance**

Joe Al-Gharabally (JAG), Incoming AAB Chair – (observing in Shadow mode)  
Ian Bruce (IB), Ethical Standards Commissioner  
Karen Elder (KE), Head of Corporate Services, Ethical Standards Commissioner  
Anne MacDonald (AMD), Senior Audit Manager, Audit Scotland  
Stephen Pringle (SP), Director Internal Audit, WBG (joining via MS Teams)

Jenni Green (JG), Governance & Finance Officer, Ethical Standards Commissioner  
Alice Malone (AM), Governance & Finance Officer, Ethical Standards Commissioner (acting as Secretariat)

**Agenda**

1. Welcome, including any declaration of interests
  - a) The Chair welcomed all attendees.
  - b) The Chair confirmed that Joe Al-Gharabally has been appointed to join the SPCB's AAB and would be taking over as Chair of ESC's AAB when the Chair demits office.
  - c) The Chair welcomed JAG and advised that JAG was attending as an observer.
  - d) The Chair opened the meeting and invited participants to declare any actual or perceived conflicts of interest that had not already been disclosed.
  - e) No conflicts of interest were declared.
2. Previous minutes  
The minutes from the previous formal meeting 23 April 2025 were approved.  
**ACTION 1: AM to arrange publication of minutes.**  
**ACTION 2: KE to ensure Action Tracker is first covered under this item in future agendas.**
3. Update from the Commissioner  
[ESC Biennial Business Plan 2025-2027](#) (link for information only)
  - a) IB reported continued progress in managing complaints. Volumes have increased, but procedures such as triage and complaint allocation plans are helping manage the workload. Initial assessments are quicker, and stakeholders are satisfied.

Investigation times are longer due to complex cases. Website updates now show average case durations, and KPIs are being met.

- b) Reports to the Standards Commission remain high, with hearings at least once a month. Complaints about disrespect make up around 60% of the overall total. The investigations manual was updated after consultation, and quality assurance will now include external review. Research on incivility in public life has started.
- c) On public appointments, the office worked with Leading Kind to refresh Diversity Delivers. The [State of the Nation report](#) was published in September and discussed with MSPs. Director General-level support has been secured for the next phase. Research on board culture and time commitment is complete and under review by the Scottish Government. Both reports were referenced in evidence to the Public Audit Committee.
- d) Progress continues with internal audit recommendations.
- e) The office is moving to a 35-hour work week and has developed a database tracking the different approaches required to achieve a successful transition. This work has been shared with another officeholder. IB noted that the reduction in the working week equated to a loss of 1 FTE. As a result, the transition to a 35 hour working week has been formally identified as a risk and mitigating actions put in place.
- f) IB highlighted recent engagements. Highlights have included work with the Standards Commission, Scottish Government (SG), Jo Cox Foundation and others as part of COSLA's roundtable on civility in public life. In this context, the ESC has also contributed to the SG's strategy on equality for women and girls and more recently met with MSPs to talk about our State of the Nation Report. IB has also referred publicly to the fact that incivility in public life is damaging to our democracy. He met with the Chair of the Committee on Standards in Public Life and joined a task and finish group on changes to the ethical standards framework for England and Wales and has agreed to assist with their work with the support of the SPCB.
- g) Evidence was given to two parliamentary committees. IB also met with fellow officeholders to discuss shared services and working hours and continued regular meetings with the Standards Commission's Executive Director and Chair.
- h) SW asked IB whether there had been a deeper analysis of the demographic data at the point of complaint. IB responded that no such data is currently being collected.
- i) KE added insights into the emerging trends in complaint culture, noting a rise in the use of AI to generate complaints, some of which were inaccurate. At one point, 7 out of 20 staff members were involved in handling a single AI-generated request for information. There is a risk that AI-generated complaints and Freedom of Information (FOI) requests could disrupt operations and increase workload for the current staff. This issue has been formally identified as a risk and mitigating actions put in place.

#### 4. Annual Report and Accounts for 2024/25

- a) ESC issued the draft Annual Report and Accounts (ARA) to Audit Scotland at the end of June. This version was reviewed by the AAB in July and suggested changes have been incorporated into the latest version. Audit fieldwork was undertaken in August with suggested changes also being incorporated into the latest version. KE and AMD agreed that the drafting and audit process went well.

- b) KE advised that one minor change to the current version is required: progress against Strategic Plan metrics will be published later.
  - c) IB commented that these are additional metrics and everything he is required to publish is included in the ARA.
  - d) AMD commented that ESC good progress had been made in reducing the volume of the ARA, a previous AAB recommendation. This had been achieved in a number of ways, including linking to material published online. JAG pointed out the downside of relying on links to online publications as both the links and the material published online can change with potentially important information lost; using different ways of presenting data in the ARA might be more useful. **ACTION 3: KE to reduce ARA content further whilst considering future access and alternative methods of presentation.**
  - e) KE advised the meeting that ESC's website is backed up annually with the National Records of Scotland and British Library so material can be retrieved but recognised the need to ensure links and reference materials are accessible.
  - f) The Chair thanked KE for her working on a well-planned and timely delivery of the ARA. **ACTION 4: KE to ensure website is added to backup testing regime**
  - g) The AAB, having considered the draft report and accounts for 2024-25 and heard from the auditors (recorded under section five), recommended these to the Commissioner for approval. **ACTION 5: KE to co-ordinate signing of ARA by 3 October.**
5. Progress report from external audit
- a) AMD confirmed that the Letter of Representation and the Independent Auditor's Report had been issued. The audit resulted in an unqualified opinion, meaning the financial statements were considered accurate and free from material misstatement.
  - b) AMD explained that the Annual Audit Report summarises significant matters identified during the 2024/25 audit. As the Commissioner's office is classified as a less complex body, the wider scope audit was limited to a review of financial sustainability and an assessment of the governance statement.
  - c) Key Audit Conclusions: The financial statements are unmodified, confirming no material misstatements. No significant findings or key audit matters were identified. Two unadjusted misstatements were noted, but these were not material.
    - Untaken Leave Accrual. The calculation for untaken leave was based on gross salaries only, whereas it should have included total staff costs (gross salary plus employer oncosts).
    - Tangible Assets - IT Equipment. Some fully depreciated laptops were still listed in the accounts despite being decommissioned and no longer in use. ESC should review assets to ensure that only assets in use during the year are reflected in the accounts. **ACTION 6: KE to ensure asset register updated in 2025/26.**
  - d) Wider Scope Work and Case File Review. A sample review of case files and the investigation manual is currently underway. This work does not affect the audit opinion. **ACTION 7: AMD to complete case file and investigation manual review.**
  - e) The Chair suggested that the leave accrual figure could potentially double in 2026 depending on staff leave uptake. A question was raised about how to correct the leave accrual if it becomes more significant. AMD advised that while it is not

currently material, it merits consideration for future adjustments. **ACTION 8: KE to ensure leave accrual calculation is amended in 2025/26.**

- f) Risk and Financial Planning. The audit provides assurance under the wider scope framework. AMD recommended that the medium-term financial plan currently four years, should be rolled forward annually to maintain relevance and accuracy.

**ACTION 9: KE to ensure the four-year financial plan is refreshed each year.**

**ACTION 10: KE to add presenting medium-term financial analysis at September AAB meetings to AAB schedule.**

Progress report from internal audit

- a) SP presented the findings from WBG's recent internal audit assignment, which focused on the organisation's Learning and Development (L&D) arrangements. The purpose of the audit was to assess whether staff receive appropriate L&D support aligned with both their roles and the Ethical Standards Commissioner's organisational requirements.
- b) The audit reviewed:
- The support available to staff.
  - How development opportunities are made accessible.
  - The processes for monitoring L&D and how these inform performance management.
- c) WBG found there was a strong level of assurance regarding current L&D arrangements. They identified nine elements of good practice, raised two low-level recommendations for improvement, and made two observations for consideration.
- d) The Chair asked about the origin of the audit and the motivation behind selecting L&D as a focus area. SP responded that L&D had not previously been audited within the organisation, and they believed it would add value.
- e) KE advised that the completion date for recommendation 2 is May/June 2026. **ACTION 11: SP to update L&D report with May/June 2026 completion date for recommendation 2.**
- f) JAG queried the constraints of internal audit and expressed interest in understanding how WBG aligns its work with organisational risk. SP confirmed they would be happy to provide JAG with a historical overview of the audit process to help him understand the background and methodology. IB also offered to meet JAG to provide some background to the organisation. **ACTION 12: KE to arrange meeting between JAG and the Commissioner.**
- g) The meeting reviewed the Action Tracker. **ACTION 13: KE to revise Action Tracker to better reflect position of follow-up actions and comment on any delays.**
- h) The Chair advised that he will issue the AAB annual report on 25 September for consideration via correspondence. **ACTION 14: Chair to issue AAB Annual Report for consideration.**

## 6. Review of strategic risks

- a) There were no comments on the current risk register. KE advised that two new risks were added in June, one relating to the persistent lengthy investigation times that are often outwith ESC control and the other related to hearings.
- b) During discussions, it was agreed that mitigation strategies should clearly demonstrate ESC values. In addition, ESC should identify when mitigation lies with an external party.

- c) A changing political landscape presents a new risk: the possibility of low levels of experience among incoming government officials and office holders. This may require renewed efforts to build understanding of ESC's role and to establish effective working relationships.
- d) It was suggested that potential risks could be presented visually, such as through a radar diagram, rather than as a long list. SW shared a link to Audit Scotland's visual risk radar as a useful example. **ACTION 15: KE to explore visual risk presentation.**
7. Update on Statutory Annual Report 2024/25
- a) IB advised that the annual report required under ESC's founding legislation will be published by the statutory deadline of 31 October 2025. The Performance Report set out in the ARA forms the statutory annual report.
- b) KE advised that this report is extracted from the ARA. It will be laid before Parliament, published on the website and distributed. **ACTION 16: KE to arrange publication of the statutory Annual Report by 31 October.**
8. Self-assessment of AAB effectiveness
- a) The members of the AAB had carried out an assessment and concluded that the current arrangements were effective. The Chair reported the results to the Commissioner on 4 August 2025. However, two enhancements were suggested:
- Principle 2: AAB members could reflect on good practices and concerns from other bodies they are involved with, to enrich discussions.
  - Principle 5: Consider amending the AAB's remit to include a short annual report from the Chair to the Commissioner summarising the Board's work.
9. AAB Terms of Reference Updated
- a) The updated terms of reference were approved by the AAB. The AAB will meet formally twice a year and review the draft annual report and accounts either at an informal meeting or via correspondence. The Chair of the AAB may convene additional meetings, as necessary.
- b) Additionally, JAG the Chair-designate recommended that the Board be used when required to help resolve issues, reinforcing the value of the AAB as a resource to support the Commissioner.
10. AAB membership
- IB noted that this would be The Chair's final meeting as a member and Chair of ESC's AAB. He thanked The Chair for his help, support and advice over the years and wished him well for the future. He also welcomed JAG as the new Chair.
11. AOB
- None
12. Date of next meeting
- The meeting agreed to continue with formal March and September meetings for the time-being. **ACTION 17: KE to circulate dates for March and September 2026.**

Action Description	Responsible Person	Deadline
1. Arrange publication of 23 April 2025 minutes	AM	Sept 2025

2. Ensure Action Tracker is first covered under "Previous Minutes" in future agendas	KE	Mar 2026
3. Reduce ARA content further whilst considering future access and alternative methods of presentation	KE	Jun 2026
4. Ensure website is added to backup testing regime	KE	Dec 2025
5. Co-ordinate signing of ARA	KE	By 3 Oct 2025
6. Ensure asset register updated	KE	Mar 2026
7. Complete case file and investigation manual review	AMD	Oct 2025
8. Ensure leave accrual calculation is amended	KE	Mar 2026
9. Ensure the four-year financial plan is refreshed annually	KE	Apr 2026
10. Add presenting medium-term financial analysis at September AAB meetings to AAB schedule	KE	Mar 2026
11. Update L&D report with May/June 2026 completion date for recommendation 2	SP	Feb 2026
12. Arrange meeting between JAG and the Commissioner	KE	6 Nov 2025
13. Revise Action Tracker to better reflect position of follow-up actions and comment on any delays	KE	Mar 2026
14. Issue AAB Annual Report for consideration	Chair	25 Sept 2025
15. Explore visual risk presentation	KE	Dec 2025
16. Arrange publication of the statutory Annual Report	KE	By 31 Oct 2025
17. Circulate dates for March and September 2026	KE	Sept 2026