

MINUTES OF THE EXTRAORDINARY MEETING OF THE FOOD STANDARDS SCOTLAND BOARD HELD ON 22 NOVEMBER 2023 09:00 to 09:15 VIA VIDEO CONFERENCE

Present

FSS Board

Heather Kelman, Chair
Aileen Brown
Kate Richards
Christina Bichan
Paula Charlesworth
Phillip Couser

FSS Executive

Geoff Ogle, Chief Executive
Ian McWatt, Deputy Chief Executive
Garry McEwan, Head of Governance and Infrastructure
Garry Mournian, Director of Policy and Science
Elaine McLaughlin, Head of Finance and Procurement
Emma Scott, Head of Private Office
Joanne Smith, Board Secretary

External

Karlyn Watt, Deloitte

Apologies

Julie Hesketh-Laird, Deputy Chief Executive
David Gally, Chief Scientific Advisor
Alban Denton, FSS Board

1. Introduction, Apologies, Matters Arising

1.1 The Chair welcomed everyone to the Food Standards Scotland (FSS) Extraordinary Board meeting, convened to sign off the Annual Report and Accounts 2022-23.

1.2 There were apologies from Julie Hesketh-Laird, David Gally, Alban Denton. Carol Evans joined for the closing minutes of the meeting.

2. Declaration of Conflict of Interest

2.1 The Chair asked for any conflicts of interest to be declared. None were declared.

3. Annual Report and Accounts 2022/23

3.1 The Chair invited Elaine McLaughlin, Head of Finance and Procurement, to present her paper on the audited Annual Report and Accounts (ARA) for the year ended 31 March 2023.

3.2 Elaine said that her recommendation to the Board was for the Annual Report and Accounts to be approved by the Accountable Officer. She explained that the ARA consists of three sections, the Performance Report, Accountability Report and Financial Statements and that all elements had been subject to audit. Elaine explained that the total resource expenditure for 2022/23 was £22.6m compared to a Departmental Expenditure Limit budget of £23m, resulting in an underspend of £0.4m. Annually Managed Expenditure (AME) was £0.3m compared to a budget of £0.4m. FSS drew down £19.7m in cash terms to cover its capital and net operating costs.

3.3 There was one corrected misstatement reported as a result of Deloitte's audit, which exceeded the reporting threshold of £27,000.

3.4 Elaine explained that the few outstanding actions that had been mentioned to the Board at their meeting in September had been completed. These mainly related to the assurance that was required by Deloitte from the London Pension Fund Authority (LPFA) pension auditor as well as some updates to figures and narrative in the notes to the accounts.

3.5 The Chair then invited Geoff Ogle, as the Accountable Officer, to introduce the ARA for 2022/23. Geoff referred the Board to his Chief Executive Statement and update on the 20 September 2023 (available at this link [Minute of 20 September 2023](#)). He explained the outstanding assurance had been received from the auditor of the LPFA pension fund and is noted in Deloitte's final report.

3.6 The Chair invited questions and comments from the Board, none were raised. She then proposed a motion that the Board approve the FSS Annual Report and Accounts for 2022-23.

3.7 Geoff thanked Karlyn Watt and her team, the ARC Chair and ARC members Elaine McLaughlin and her team for all their work on the ARA.

3.8 The Chair also thanked Elaine and her team for their work on the ARA and for accurate and timely reporting throughout the year.

4. Deloitte Annual Audit Report for 2022-23

4.1 The Chair introduced Karlyn Watt, Lead Senior Audit Manager from Audit Scotland. Karlyn explained that her report, which had already been presented at both the Audit and Risk Committee (ARC) meeting on 6 September 2023, and the Board Meeting on the 20 September, summarised the main audit findings and said that the financial statements were a true and fair view of FSS's financial affairs. She explained that the expenditure and income had been incurred and applied in line with guidance and the remuneration, governance and performance sections of the report were all consistent with the financial statements.

4.2 Elaine advised that the ISA 580 letter will be signed off by Geoff Ogle, Accountable Officer, and sent out post-meeting.

4.3 Karlyn said that she intended to issue an unmodified opinion and that had been included in the independent auditors report in the ARA.

4.4 The Chair asked Karlyn whether all outstanding matters had concluded, and that there had been no material circumstantial changes since 31 March 2023, and Karlyn was able to confirm that all was closed off.

4.5 The Chair invited questions on the ARA from Board members, none were raised.

4.6 The Board:

- **noted** the outcome of the audit and the recommendations being made by Audit Scotland in their draft annual audit report.

4.7 The Chair thanked Karlyn Watt for her input to this years audit of the ARA, and wished Karlyn well in her new appointment at Aberdeen City Council.

5. ARC Statement of Assurance

5.1 The Chair invited Aileen Brown, Chair of the Audit and Risk Committee (ARC), to present the annual ARC Statement of Assurance to the Board. Aileen was able to confirm that all outstanding evidence had been received by Deloitte and that they had undertaken relevant technical and quality assurance reviews.

5.2 Aileen drew the Board's attention to the unmodified audit opinion from Deloitte. She explained that Deloitte have commented that FSS has effective budget setting and monitoring arrangements in place, however they have made several recommendations in respect of financial management and sustainability and stated that reporting to the Board could be enhanced by providing more details and direction on key areas where input and challenge is required. Deloitte also followed up recommendations from the previous auditors and noted that two were fully implemented, two are still ongoing and one is partially implemented.

5.3 Aileen explained the Statement of Assurance provides detail of the ongoing assurance given by audit reports and opinions from internal and external auditors throughout the year. During the year, the ARC completes its own scrutiny of controls in terms of risk, internal controls and governance.

5.4 The ARC based on:

- assurance provided through reports presented to it through the year by internal audit and by ARC scrutiny of reports from the executive on a number of matters including risk management and the internal controls assurance framework;
- the substantial annual assurance opinion for 2022-23 of FSS internal auditors, the Scottish Government Directorate of Internal Audit and Assurance in regard of FSS audits and their reasonable assurance opinion regarding the SG shared services on which FSS depends;
- the overarching assurance statement in relation to audits required under Article 6 of Regulation (EU) 2017/625 provided by the FSS Head of Audit and Assurance;
- the Annual Audit Report from our external auditors, and
- its own and the Board's scrutiny of the content of the draft ARA

is content to recommend to the Board that it should approve the Annual Report and Accounts for 2022-23 as presented, and be authorised for issue by the Accountable Officer.

5.5 The Chair invited questions from the Board, none were raised.

5.6 The Chair said she was assured the ARC had done its duty and thanked them on behalf of the Board for their work throughout the year.

5.7 The Board:

- **Reviewed** the audited 2022/23 annual report and accounts
- Were invited to request any explanations or assurances where necessary; and
- **Noted** the positive outcome of the audit and the recommendations being made by Deloitte; and
- **Approved** the annual report and accounts

6. Q & A

No other business was discussed.

The meeting concluded with the Board agreeing to approve the Annual Report and Accounts 2022-23, and their issue by the Chief Executive as the Accountable Officer.

7. Close