

Minutes of Meeting of Audit
Scotland held in the offices of
Audit Scotland, 110 George
Street, Edinburgh on Friday 26
January 2007 at 10.30am

PRESENT: A MacNish (Chair)
J Baillie
R W Black
C Gardner
P Taylor

IN ATTENDANCE: D McGiffen, Director of Corporate Services
R Frith, Director of Audit Strategy
W F Magee, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Minutes
2.	Audit Committee
3.	Accountable Officer's Report
4.	Delegated Decisions
5.	18 George Street
6.	Audit Scotland Corporate Plan 2007-2010
7.	Retirement Policy
8.	Financial and Performance Update
9.	Future Meetings

1. Minutes

There were submitted and approved the minutes of meeting of 19 September 2006.

2. Audit Committee

John Baillie outlined the deliberations of the Audit Committee held earlier in the day and made particular reference to the decision to continue to procure internal audit services from an external firm and to initiate the tender process in view of the expiry of Chiene & Tait's current appointment on 31 March 2007. The Board noted the position.

3. Accountable Officer's Report

There was submitted a report by Robert Black as the Accountable Officer updating the board on progress in Audit Scotland since its last meeting. The report covered the following areas –

- Supporting democratic scrutiny
- Best Value
- Future study programme
- Support to Parliament
- Maximising the value of the audit
- Efficient Government
- Scottish Commission for Public Audit
- Liability for former Ombudsman pensions
- VAT status
- Review of Scrutiny
- Organisational developments
- Benefits Fraud Inspectorate
- Staffing.

The Board noted the report.

4. Delegated Decisions

Audit Scotland noted the following decisions which had been made through correspondence since their last meeting –

- i. appointment of Morris and Spottiswood as contractors for the refurbishment of 18 George Street (paragraph 8 of the minutes of meeting of 19 September 2006 refers);
- ii. appointment of Fabasoft as preferred supplier for the electronic document and records management system.

5. 18 George Street

There was submitted a report by Diane McGiffen providing an update on the progress of the 18 George Street refurbishment project. The Board noted the report.

6. Audit Scotland Corporate Plan 2007-2010

There was submitted a report by Diane McGiffen providing an update on the preparation of the Audit Scotland Corporate Plan for 2007-2010. The report summarised the proposed key messages and timetable for finalising the Corporate Plan and Audit Scotland's budget for 2007-8. Following discussion the Board approved the proposals in the report for the key messages in the Corporate Plan and for a timetable for its approval.

7. Retirement Policy

There was submitted a report by Diane McGiffen outlining the potential impact on Audit Scotland of age discrimination legislation which became effective from 1 October 2006 and proposing a draft retirement policy which accompanied the report. Audit Scotland agreed to approve the retirement policy as submitted.

8. Financial and Performance Update

There was submitted a report by Diane McGiffen updating the Board on Audit Scotland's financial and business performance during the period to 30 September 2006. A further report on performance to 31 December 2006 was circulated at the meeting. The reports also provided an update on Audit Scotland's international activity since the last Board meeting. In discussion a number of points were covered –

- The need to distinguish, in future reports, between expenditure variations which are real departures from budget and those which are only a matter of the timing of expenditure
- The proposed introduction of a planned budget for agency staff for 2007/8
- Continuing progress in developing international activities in Audit Scotland.

Thereafter the Board agreed to note the report.

9. Future Meetings

The Board agreed to remit to the Chair and the Secretary to fix a date for its next meeting which is likely to be towards the end of March.

Minutes of Meeting of Audit
Scotland held in the offices of
Audit Scotland, 110 George
Street, Edinburgh on Friday 30
March 2007 at 12.15pm.

PRESENT: A MacNish (Chair)
J Baillie
R W Black
C Gardner
P Taylor

IN ATTENDANCE: D McGiffen, Director of Corporate Services
R Frith, Director of Audit Strategy
W F Magee, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Minutes
2.	Audit Committee
3.	Accountable Officer's Report
4.	Budget 2007-8
5.	Refurbishment of 18 George Street
6.	Financial and Performance Update
7.	Future Meetings

1. Minutes

The minutes of meeting of 26 January 2007 were submitted and approved.

2. Audit Committee

The minutes of meeting of the Audit Committee of 26 January 2007 were submitted and noted and the recommendations contained therein were approved.

3. Accountable Officer's Report

There was submitted a report by Robert Black as the Accountable Officer updating the Board on progress in Audit Scotland since its last meeting. The report covered the following areas –

- Business performance
- Supporting effective democratic scrutiny
- Future study programme
- Maximising the value of Audit Scotland
- Scrutiny matters
- International report
- Organisational events
- Staffing.

The Board noted the report.

4. Budget 2007-8

There was submitted a report by Russell Frith and Diane McGiffen presenting Audit Scotland's proposed budget for 2007-8. The proposed budget was based on that approved by the Scottish Commission for Public Audit and was based on net expenditure of £6.6M as approved by the Commission and incorporated into the Budget (Scotland) Bill. The report covered the following areas –

- Background and context
- Budgetary assumptions
- Budget overview
- Changes to the SCPA bid
- Capital expenditure
- Comparison with prior years.

After consideration Audit Scotland agreed to approve the budget as submitted.

5. Refurbishment of 18 George Street

There was submitted a report by Diane McGiffen updating the Board on progress with the refurbishment of 18 George Street and on the fire protection issues discussed at the Board's meeting in January. After discussion Audit Scotland agreed –

- i. that a further report be prepared for consideration by the Board outlining the various legal responsibilities and potential action by Audit Scotland, the landlord and building control, and

ii. otherwise to note the report.

6. Financial and Performance Update

There was submitted a report by Diane McGiffen updating the Board on Audit Scotland's financial and business performance during the period to 31 December 2006. In discussion of the report reference was made to the arrangements for term deposit of funds held by Audit Scotland. Thereafter Audit Scotland noted the report.

7. Future Meetings

The Board agreed to hold its next meeting on 30 May 2007 at 10.30am.

Minutes of Meeting of Audit
Scotland held in the offices of
Audit Scotland, 110 George
Street, Edinburgh on Wednesday,
30 May 2007 at 12.15pm.

PRESENT: A MacNish (Chair)
J Baillie
R W Black
C Gardner
P Taylor

IN ATTENDANCE: R Frith, Director of Audit Strategy
W F Magee, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Minutes
2.	Remuneration Committee
3.	Annual Accounts 2005/06
4.	Accountable Officer's Report
5.	Performance Update
6.	Post of Secretary
7.	Confirmation of Previous Decisions
8.	Future Meetings

1. Minutes

The minutes of meeting of 30 March 2007 were submitted and approved.

2. Remuneration Committee

The minutes of meeting of the Remuneration Committee of 30 March 2007 were submitted and noted and the recommendations contained therein were approved.

3. Annual Accounts 2005/06

There was submitted a report by the Director of Audit Strategy introducing the draft Annual Accounts for 2005/06. The Convenor of the Audit Committee reported on discussion at that Committee earlier in the day which included a meeting with the external auditors. He outlined the Committee's deliberations, including a recommendation that the Accounts be approved. After discussion the Board agreed to accept the recommendations of the Audit Committee and to approve the final Accounts on the basis outlined by that Committee.

4. Accountable Officer's Report

There was submitted a report by Robert Black as the Accountable Officer updating the Board on progress in Audit Scotland since its last meeting. The report covered the following areas:-

- Business Performance
- Supporting Effective Democratic Scrutiny
- Maximising the Value of the Audit
- Scrutiny Matters
- International Matters
- Organisational Events.

The Board noted the report.

5. Financial and Performance Update

There was submitted a report by Diane McGiffen updating the Board on Audit Scotland's business performance for the year to 31 March 2007. The Board noted the report.

6. Post of Secretary

There was submitted a report by Bob Black advising the Board of progress in the recruitment of a Secretary, providing services to the Accounts Commission, the Auditor General and Audit Scotland. A further briefing note on job evaluation and external salary data was tabled. After discussion the Board agreed:-

- i. to approve the remuneration package as outlined in Bob Black's report
- ii. to authorise early advertisement of the post, and
- iii. to authorise a panel consisting of those members of the Board available to take part on the appointed day, to interview candidates and make an appointment.

7. Confirmation of Previous Decisions

The Board agreed to confirm decisions made by correspondence since the date of its last meeting as follows:-

- Appointment of Metro Press (Euro) Limited as contractor for the provision of print and distribution services to Audit Scotland following a tender process.
- Approval of the content of the Audit Scotland Annual Report.

8. Future Meetings

The Board agreed that its next meeting will be in the second half of September on a date to be fixed by the Chairman in consultation with the Secretary.

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Wednesday, 26 September 2007 at 2pm.

PRESENT: A MacNish (Chair)
J Baillie
R W Black
P Taylor

IN ATTENDANCE: R Frith, Director of Audit Strategy
W F Magee, Secretary
D Hanlon, Finance Manager (items 5 & 6)

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Minutes
3.	Membership
4.	Accountable Officer's Report
5.	Budget 2008/9
6.	Financial and Performance Update
7.	Developing our Capacity
8.	Appointment of Internal Auditors
9.	Equal Pay Policy Statement
10.	Staff Survey 2007
11.	Audit Scotland International Strategy
12.	Auditor General's Expenses
13.	Valedictory

1. Apologies

Apologies for absence were submitted on behalf of Caroline Gardner.

2. Minutes

The minutes of meeting of 30 May 2007 were submitted and approved.

3. Membership

The Secretary advised that the Auditor General and the Chairman of the Accounts Commission have appointed Phil Taylor to serve a further period of one year until 1 October 2008 as a member of Audit Scotland. The Board noted the position and welcomed the re-appointment.

4. Accountable Officer's Report

There was submitted a report by Robert Black as the Accountable Officer updating the Board on progress in Audit Scotland since its last meeting. The report covered the following areas:

- Supporting effective democratic scrutiny
- Maximising the value of the audit
- Scrutiny matters
- International work
- Organisational events.

5. Budget 2008/9

There was submitted a report by the Director of Audit Strategy outlining the initial work on the 2008/9 financial year budget and making proposals for using the 2006/7 end year flexibility and for 2007/8 and 2008/9 audit year fee increases. After discussion the Board:

- i. agreed the assumptions underlying the budget and the SCPA bid outlined in the report, and
- ii. approved the proposals for utilising end year flexibility from 2006/7.

6. Financial and Performance Update

There was submitted a report by the Director of Corporate Services updating the Board on Audit Scotland's business performance for the period April to June 2007. The Board noted the report.

7. Developing our Capacity

There was submitted a report by the Deputy Auditor General and the Director of Corporate Services referring to significant changes since March 2006 to streamline the management structure, increase collaboration between the two largest business groups and support effective performance. The report outlined a series of measures being taken to develop and consolidate organisational capacity. In discussion it was suggested that an organogram be circulated to Board members showing the revised structures. Thereafter the Board agreed to approve the courses of action outlined in the report and to note the changes to the establishment within existing resources.

8. Appointment of Internal Auditors

There was submitted a report by the Secretary advising the Board of the outcome of the selection process for internal auditors for Audit Scotland. Following interviews the panel have agreed to appoint Bentley Jennison as internal auditors to Audit Scotland for a three year period beginning with the financial year 2007/8. The Board noted the position.

9. Equal Pay Policy Statement

There was submitted a report by the Director of Corporate Services referring to the gender equality duty on public bodies to promote gender equality and eliminate sex discrimination. The report outlined the process which had been undertaken to draw up the equal pay policy statement, a copy of which was also circulated. The Board approved the policy statement as submitted subject to a number of adjustments to the text to reflect the current position in Audit Scotland.

10. Staff Survey 2007

There was submitted a report by the Director of Corporate Services providing details of the 2007 staff survey. It outlined the key themes from the survey and proposed a series of steps to be taken following up those themes. The Board noted the findings of the staff survey and welcomed the progress shown in those findings.

11. Audit Scotland International Strategy

There was submitted a report by the Director of Corporate Services referring to Audit Scotland's involvement in international activities in the past and proposing a more structured approach in the future following consideration by a short life working group which had been approved by the Management Team. In discussion, the Secretary confirmed that the proposed activities are within the statutory competence of Audit Scotland. Thereafter the Board approved the international strategy as submitted subject to the inclusion of a clear statement of the objectives of the strategy.

12. Auditor General's Expenses

Phil Taylor, as Chair of the Remuneration Committee, advised that he conducts an annual review of the expenses paid to the Auditor General in connection with the performance of his duties.

13. Valedictory

The Board expressed their appreciation of the contribution made to the successful operation and development of Audit Scotland by Alastair MacNish during his period as Chair of the Board in view of his retirement at 30 September. The Board also expressed their appreciation of the services of Bill Magee as Secretary on the occasion of his retirement. Alastair MacNish and Bill Magee responded appropriately.