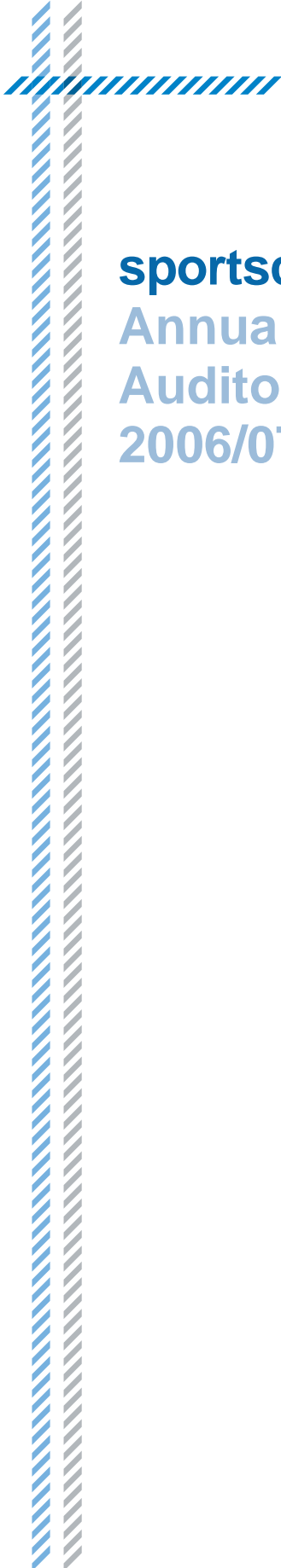




SCOTT-MONCRIEFF

EDINBURGH AND GLASGOW



sportscotland group

Annual Report to the Board and the
Auditor General for Scotland
2006/07



sportscotland group

Annual Audit Report to the Board and the Auditor General for Scotland 2006/07

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1 Summary

Governance

- On 18 May 2006 Scottish Ministers announced that sportscotland's headquarters would be relocated from its current location to the new National Indoor Sports Arena to be built in the east end of Glasgow once this development was completed. The anticipated completion has now been reassessed as Spring 2011. Sportscotland were requested to draw-up a project implementation plan although relocation has yet to be formally confirmed by the sportscotland board.
- The election of a new Scottish Parliament in May 2007 saw the advent of a new SNP minority administration. At the date of approval of the sportscotland accounts the future of the organisation remains uncertain.

Performance

- In February 2007 the Council approved a Corporate Plan covering the period 2007 – 2011. To support the implementation of the Corporate Plan a new performance management system will operate from April 2007.
- The National Sports Centres require to develop appropriate costing and pricing mechanisms to ensure the future financial viability of the Scottish Sports Council Trust Company is not put in to jeopardy. Regular monitoring information should also be produced and reviewed regarding household and activity courses' income and expenditure.

Finance

- Our audit opinions on the truth and fairness of the financial statements and the regularity of transactions are unqualified. The financial statements require to comply with the Financial Reporting Manual. This has resulted in Scottish Executive grant-in-aid being reclassified as a funding flow and being taken directly to the general fund.
- Key financial risks going forward include the potential for relocation, uncertainties regarding the future of sportscotland and the successful Olympic bid by London resulting in a further significant reduction in resourcing for Scottish sport.

Conclusion

This report concludes the 2006/07 audit of the sportscotland group. We have performed our audit in accordance with the Code of Audit Practice published by Audit Scotland, International Standards on Auditing and Ethical Standards.

This report has been discussed and agreed with the Chief Executive and Director of Finance and has been prepared for the sole use of the sportscotland Board and the Auditor General for Scotland and Audit Scotland. We would like to thank all members of sportscotland's management and staff who have been involved in our work for their co-operation and assistance during our audit visits.

Scott-Moncrieff

June 2007

2 Introduction

2.1 Auditor General and Audit Scotland

The Auditor General for Scotland is responsible for reporting to the Scottish Parliament on how public bodies spend public money, manage their finances and achieve value for money in the use of public funds. In discharging this responsibility the Auditor General appoints central government auditors and sets the terms of their appointment. The Auditor General for Scotland has appointed Scott-Moncrieff as external auditor of the Scottish Sports Council for the 5 year period 2006/07 to 2011/12.

Our audit appointment from the Auditor General also covers the Scottish Sports Council National Lottery Fund. As auditors to the sportscotland group we have also been appointed as auditors to the Scottish Sports Council Trust Company Limited and The Scottish Institute of Sport.

Audit Scotland is an independent statutory body that provides the Auditor General with the services required to carry out his statutory functions, including preparing a Code of Audit Practice setting out the role and responsibilities of the external auditor.

This annual report summarises our 2006/07 audit of the sportscotland group and the Scottish Sports Council National Lottery fund and highlights the key issues arising from our work.

2.2 Independence and ethical standards

Ethical Standard 1 – *Integrity, objectivity and independence*, issued by the Auditing Practices Board (APB), requires that external auditors ensure that the Audit Committee is appropriately informed on a timely basis of all significant facts and matters that bear upon the auditors' objectivity and independence.

We confirm that we have complied with APB Ethical Standards throughout our audit and that, in our professional judgement, we have remained independent and our objectivity has not been compromised in any way. In particular:

- a) There are and have been no relationships between Scott-Moncrieff and the Board, its directors and senior management that may reasonably be thought to bear on our objectivity and independence,
- b) Scott-Moncrieff has not provided any consultancy or non-audit services to the Board.

2.3 Key Risks

Our audits are risk based. This means that we focus our resources in the areas of highest priority or risk to the Board. The key risk areas identified for the 2006/07 audit were summarised in our external audit plan presented to the Audit Committee prior to the commencement of the audit. These risk areas were:

- Group financial position
- Scottish Sports Council Trust Company
- Relocation
- Lottery Fund

This report reports on our findings in relation to these key risks.

2.4 Scope of the Audit

Our audit work can be classified under the following three headings: governance, performance and finance. The main audit objective for each of these areas is summarised below, along with the key priorities and risks for each area.

2.4.1 Audit areas and audit objectives

Audit area	Audit objective
Governance	To review the Board's governance arrangements in relation to: <ul style="list-style-type: none">• systems of internal control and risk management,• the prevention and detection of fraud and irregularity,• standards of conduct and prevention and detection of corruption,• financial position.
Performance	To review the Board's arrangements for managing its performance and for securing economy, efficiency and effectiveness in its use of resources.
Finance	To provide an opinion on the truth and fairness of the Board's financial statements and on the regularity of transactions. To review the Board's financial standing, and financial management arrangements.

The remainder of this report sets out the results of our work in 2006/07 under the headings of Governance, Performance and Finance. The action plan in section 6 details the recommendations we have made during the year.

3 Governance

3.1 Introduction

It is our responsibility to review the Board's governance arrangements in relation to:

- systems of internal control and risk management,
- the prevention and detection of fraud and irregularity,
- standards of conduct and prevention and detection of corruption,
- financial position.

3.2 Relocation

On 18 May 2006 Scottish Ministers announced that the sportscotland headquarters would be relocated from its current location to the new National Indoor Sports Arena to be built in the east end of Glasgow once this development was completed. It was originally anticipated that the relocation would be completed by Autumn 2009. The anticipated completion has now been reassessed as Spring 2011. Sportscotland were requested to draw-up a project implementation plan although relocation has yet to be formally confirmed by the sportscotland board.

The board have asked that a detailed costing be prepared to ensure that any decision made regarding relocation is based on achieving value for money. A relocation team has been set up chaired by the Chief Executive to pull together detailed meaningful costings which set out the full cost of relocation. This will thereafter be presented to the Board. At the time of approval of the 2006/07 accounts this detailed costing had not been finalised.

Considerable work has already been undertaken by sportscotland in relation to the possible relocation. Time has been incurred in reviewing and assessing options. This work has involved staff from finance, personnel and facilities as well as the executive management team. In addition to the time incurred by existing staff from sportscotland, two new posts have been added to work full time on the project. Costs incurred to date can be broken down as follows:

Type of cost incurred	Cost to 31 March 2007
Opportunity cost of existing staff time spent on relocation	£24,000
New staff appointed as a result of relocation	£36,000
External consultancy costs incurred to date covering facilities, HR and finance	£50,000
Total	<u>£110,000</u>

Formal consideration of relocation has been further complicated by the uncertainty surrounding the new Scottish government's policy towards sportscotland..

Further details are included in the Report of the Council.

3.3 The impact of the May 2007 elections

The election of a new Scottish Parliament in May 2007 saw the advent of a new SNP minority administration. Prior to the election the SNP's policy commitments were set out in their Manifesto 2007. The policy articulated in this manifesto regarding sportscotland was:

"...national policy and targets will become a ministerial responsibility, advised by sports governing bodies and other organisations involved in physical recreation. We will abolish sportscotland and establish the 3 national centres currently run by sportscotland as not-for-profit trusts."

The policy regarding sportscotland's other subsidiary company, the Scottish Institute for Sport stated:

We will task the Scottish Institute of Sport with the primary responsibility for the elite athlete programme. The Institute will work with the Regional Institutes of Sport, sports governing bodies and others to support our elite athletes and ensure sporting success for them and for Scotland.

At the date of approval of the sportscotland accounts the future of the organisation remains uncertain. No changes to the existing status of sportscotland have yet however been announced. The current position has been highlighted in the Report to the Council.

3.4 Corporate Governance Framework

The sportscotland Council comprises the Chair and eleven other non-executive members. All non-executive members are formally appointed by Scottish Ministers for an initial term of four years. The Council meets every two months and is responsible for strategy, performance and the framework of internal control. The Chief Executive, executive directors and other staff at sportscotland also attend the Board meetings to provide information and advice where necessary.

Sportscotland's audit committee comprises five non-executive Council members, and a non-executive director of the Scottish Institute for Sport. The committee met five times in 2006/07.

At its January 2007 meeting revised terms of reference were approved. These terms of reference reflected input from committee members and internal and external audit. The audit committee requires three members to be present to be quorate. Two of the meetings were however inquorate in 2006/07. We understand that a paper addressing the future membership of Council committees will be brought forward in the next few months.

3.5 Statement on Internal Control

The framework of internal controls operating at the sportscotland group is reported within the Statement on Internal Control (SIC) included with the annual accounts. The sportscotland group has identified a number of areas as requiring further development. These areas have been disclosed within the SIC and the Board intends to address them fully during 2007/08. We are satisfied that the contents of the SIC are not inconsistent with information gathered during the course of our normal audit work.

3.6 Risk Management

Sportscotland has in place a Corporate Risk Register and a Potential Future Issues Register in place. The Corporate Risk Register contains those risks which could potentially result in the closure of sportscotland or its business. Risks are identified across 5 business risk categories:

- Strategic
- Personnel
- Operational
- Financial
- Political/External Influence

The Potential Future Issues Register contains those potential issues which are not yet actual risks to sportscotland but may become a future risk. Departments maintain separate departmental risk registers which are subject to review on a quarterly basis.

On a six monthly basis the Risk Management Group meets to review and update the two registers which are then submitted to the Audit Committee for review and approval before being distributed to all Board members for information.

3.7 Internal Audit

3.7.1 Review of internal audit service

Internal audit is a key component of the Board's corporate governance arrangements. The Board's internal audit service is provided by PricewaterhouseCoopers. We undertook a

review of the work undertaken by PricewaterhouseCoopers to ensure it was sufficient in quality and volume and performed in accordance with accepted internal audit standards.

The conclusion from our review was that PricewaterhouseCoopers provides an effective internal audit service that complies with approved internal audit standards and demonstrates examples of best practice.

3.7.2 Co-ordination with internal audit

To avoid duplication of effort and ensure an efficient audit process, we have made use of internal audit work in the following areas:

- Compliance with corporate governance best practice
- Financial controls self-assessment
- Review of performance management arrangements
- Budgetary control arrangements at the Scottish Institute of Sport
- Scottish Sports Council Trust company charitable status review
- Achieving Excellence
- Contract management.

We are grateful to PricewaterhouseCoopers for their assistance during the course of our audit work.

3.8 Fraud, Irregularity and Corruption

We are required to consider the arrangements made by management for the prevention and detection of fraud, irregularity and corruption. Our audit identified no issues of concern in relation to the sportscotland group arrangements.

3.9 Standards of Conduct, Integrity and Openness

Propriety requires that public business is conducted with fairness and integrity. This includes avoiding personal gain from public business, being even-handed in the appointment of staff, letting contracts based on open competition and avoiding waste and extravagance. Guidance on standards of conduct, accountability and openness has been issued by the Scottish Executive.

Our work in this area included a review of the arrangements for adopting and reviewing standing orders, financial instructions and schemes of delegation and complying with national and local Codes of Conduct. We also considered controls over ordering and procurement, registers of interest and disposal of assets.

We are pleased to report that our audit identified no issues of concern in relation to standards of conduct, integrity and openness.

4 Performance

4.1 Introduction

This section of the report looks at key performance areas for the sportscotland group. . Some of the sportscotland group key corporate objectives are also highlighted within this section.

4.2 Corporate Planning

In February 2007 the Council approved its new Corporate Plan covering the period 2007 – 2011. This was approved by the Scottish Minister in March 2007. The Plan sets out three key principles:

- Developing a sporting infrastructure
- Creating effective sporting pathways
- Embedding ethics and equity throughout sport.

These three principles are translated into seven areas which sportscotland will treat as priority areas for investment. These include the Active Schools network, the development of the Coaching Network, and focused investment into community sport, quality sporting facilities and performance development.

Key to the success of the investment in these priority areas will be the effectiveness of joint working with Scottish Governing Bodies, local authorities and other key partners.

At the time the Corporate Plan was published it was envisaged that over the next 4 years sportscotland would have over £260 million to invest in these priority areas. £163 million was projected to come from the Scottish Executive as grant in aid with a further £100 million from the Lottery Fund. Since the development of the plan the UK government have announced that further lottery resources will be re-directed to help support the London Olympics and Paralympic Games in 2012. This means the actual Lottery Fund investment over the four years is likely to be approximately £6 million less than originally envisaged. Future funding from the Scottish Executive may also change as a result of the new administration and the spending review.

4.3 Performance Management Arrangements

During 2007 the sportscotland performance management arrangements were reviewed by internal audit. Whilst overall they found that key controls in operation were appropriately designed and were working as intended they did identify a number of weaknesses. These included the following areas:

- The monitoring arrangements applied to corporate targets had not been formalised
- Business plan objectives for 2006/07 were not all Specific, Measurable, Achievable, Realistic and Time bound (SMART).
- Improvements could be made to Board reports on performance against business objectives
- The Corporate Plan and Business Plan objectives do not include financial targets/indicators against which performance can be measured.

In response to the approval of the new Corporate Plan and to address the recommendations of internal audit, in April 2007 the Board approved a new performance management system. This performance management system involves:

- An annual analysis of national strategy measures and sportscotland's contribution
- A six monthly report on the progress of approved key measures for the corporate plan
- A quarterly traffic light report on progress against business plan actions.

The new performance management system will operate from April 2007. The Board should review the effectiveness of these new arrangements during 2007/08.

4.4 The Sports Council Trust Company

The Scottish Sports Council Trust Company made a net operating surplus of £0.197M in 2007. This was a significant improvement on the deficit made in 2006 of £0.272M. As a result of concerns over the financial performance of the Scottish Sports Council Trust Company, during the year a review was undertaken by PricewaterhouseCoopers into the future structure and status of the Trust Company.

The outcome of this review was that there were advantages to the National Sports Centres of remaining within a separate charitable legal entity but that there were a number of matters which required the attention of directors:

- Considering options to potentially mitigate against revaluation losses

- Ensuring a robust pricing strategy is in place supported by appropriate reporting and monitoring arrangements
- Ensuring the governance of the Trust Company meets the requirements of the Charities and Trustee Investment (Scotland) act 2005.

We would endorse the conclusions of PricewaterhouseCoopers. In particular we noted during our interim audit work that there was no costing model in place at either Inverclyde or Cumbrae centres. Whilst 2007 prices at Cumbrae have been based on market information it is not clear how much costing detail was involved in determining course price. We also noted that no monitoring information was being prepared at Cumbrae regarding the profitability or otherwise of each course although such information was being reviewed at Inverclyde. In our view it is essential that proper costing models are used to assess course prices at all of the National Sports Centres and that regular monitoring information is produced and reviewed covering monthly income and expenditure for household and activity courses. We understand that since our interim audit considerable work has been undertaken by sportscotland staff to improve financial costing and monitoring procedures at the National Sports Centres.

5 Finance

5.1 Introduction

It is the responsibility of the Board to conduct its financial affairs in a proper manner. As part of our audit, we are required to consider sportscotland group's financial standing, including:

- performance against financial targets,
- financial projections, including cost pressures in future years,
- internal financial control systems,
- financial planning, budgetary control and financial reporting systems.

It is important that such arrangements are adequate to enable the organisation to properly control its operations and use of resources.

5.2 Annual Accounts and Audit Timetable

We are pleased to report that the accounts are due to be approved by the Board of sportscotland group on 27 June 2007 and are due to be submitted to the Scottish Executive and the Auditor General for Scotland thereafter.

Scottish NDPBs are required to comply with the Financial Reporting Manual (FReM) when preparing their financial statements. The sportscotland group 2006/07 accounts comply with the requirements of the FReM in all material respects.

5.3 Unqualified Audit Opinion

Our audit opinions on the financial statements and the regularity of transactions are unqualified.

5.4 Financial Performance

5.4.1 Review of 2006/07

The net position on the group income and expenditure account after reflecting income of £4.476M raised from the group's activities and £4.222M of income received from the sportscotland lottery fund and charging net expenditure of £37.553M was a deficit of £28.855M.

To fund this, sportscotland received grant-in-aid of £29.686M. Of this £28.725M was used to fund group revenue expenditure and £0.964M was used to fund capital expenditure. As a

result of changes to the 2006/07 Financial Reporting Manual, grant-in-aid is treated as funding rather than income and is credited directly to the General Fund.

Table 1: Scottish Sports Council operational revenue expenditure against budget levels 2006/07

Expenditure group	Actual Outturn	Budget	(Excess) / Saving
	£000	£000	£000
Widening Opportunities	15,240	16,077	837
Developing Potential	8,664	8,133	(531)
Achieving Excellence	1,055	983	(72)
Support services	2,228	2,480	252
Total	27,187	27,673	486

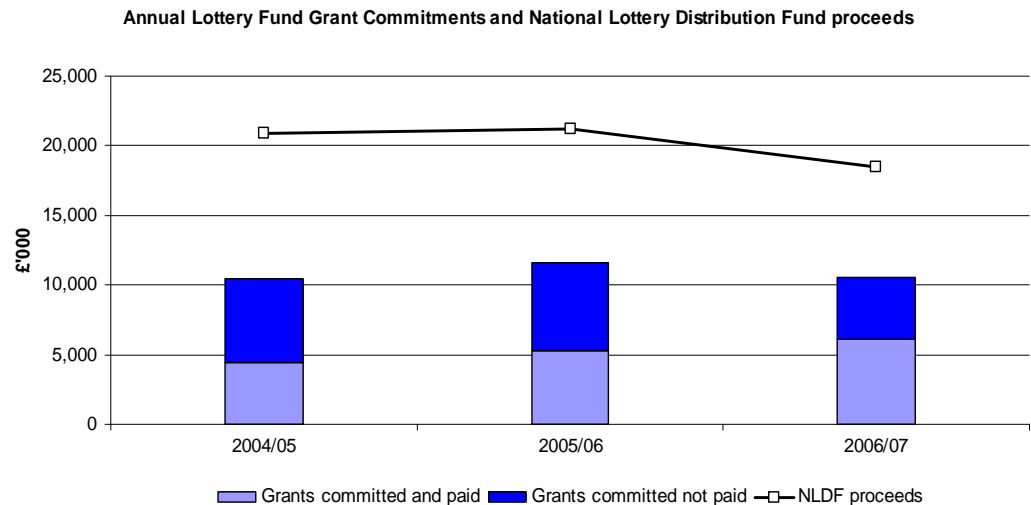
(Source: the Scottish Sports Council management accounts 2006/07)

The main differences in actual outturn compared with budget relate to underspends in the Widening Opportunities programme. Within this category Active Schools was underspent due to the planned clawback of funds from certain local authorities. This underspend has been diverted to the Developing Potential programme with increased spending going to Sports Governing Bodies in the areas of player improvement and organisational development.

The sportscotland Lottery Fund received an allocation of £18.494M from the National Lottery Fund and committed and paid £6.11M during the year. Other hard commitments made during the year but still unpaid amounted to £4.474M. After the deduction of net running costs a surplus of £5.428M was transferred to the General Fund. The total funds held under the stewardship of the National Lottery Distribution Fund at 31 March 2007 amounted to £51.311M. The Sportscotland Lottery Fund has hard commitments (obligations to pay lottery grants) of £16.686M at 31 March 2007. The remaining balance together with future forecast Lottery Funds will be required to meet the policies and plans set out in the sportscotland Corporate Plan 2007 – 2011.

The Lottery Fund's key financial aim is to maximise awards to individual governing bodies of sport and other third parties such as local authorities to meet the organisation's objectives outlined in the Corporate Plan. The Scottish Ministers have not set any formal financial targets for the Lottery. The graph below provides a summary of the lottery commitments

made and the proceeds received from the National Lottery Distribution Fund over the last three years.



The graph shows the continuation of a longer term trend in falling lottery fund proceeds. This trend is likely to continue with the redirection of further lottery resources to help support the London Olympics and Paralympic Games in 2012.

5.5 FRS 17 Deficit

All members of staff of sportscotland and the Scottish Sports Council Trust Company have the option of joining the Strathclyde Pension Fund (SPF) with existing employees who are members of the Scottish Teachers Superannuation scheme entitled to maintain their membership of this scheme. The SPF is a defined benefit scheme where the assets and liabilities can be separately identified each year by an actuary. Under Financial Reporting Standard 17 this scheme is therefore reflected within the financial statements of the sportscotland group members.

At 31 March 2006 the group position showed a net asset of £0.119M. By 31 March 2007 however this had declined to a net pension liability of £2.892M. The main reason for this adverse change is the actuarial loss in the discount rate applied to the scheme liabilities. The rate now being adopted is that based upon the iboxx Sterling Corporates Index, AA over 15 years, at 31 March 2007. This is the rate recommend by FRS 17. In previous years the Government Actuary Department rate was being used. This change in the discount rate being used has led to a substantial increase in the present value of scheme liabilities.

5.6 Financial Management

The sportscotland group has a responsibility to conduct its financial affairs in a proper manner. As part of our audit, we are required to consider the sportscotland group's arrangements for financial planning, budgetary control and financial reporting.

Finance and management accounts are presented to each Board meeting and budget reports are presented on a quarterly basis.

5.7 International Financial Reporting Standards (IFRSs)

The Chancellor announced in his 2007 budget speech the decision to adopt IFRSs for in public sector accounting by 2008/09. Whilst this does not have an immediate impact on sportscotland's group accounts the Board should be aware of this issue as it could have significant implications in the future.

6 Action Plan

Our annual report action plan details the control weaknesses and opportunities for improvement that we have identified during 2006/07. These are the issues that we believe need to be brought to the attention of the Board.

It should be noted that the weaknesses identified in this report are only those that have come to our attention during the course of our normal audit work. The audit cannot be expected to detect all errors, weaknesses or opportunities for improvements in management arrangements that may exist.

6.1 Audit Recommendations – Follow-up Processes

The Board has an effective process in place for following up audit recommendations. The finance team monitors the follow-up of audit recommendations through a spreadsheet system. The results of this follow-up are periodically subjected to review by internal audit and the results submitted to the audit committee. We have found the system in place to be regularly updated and well maintained.

6.2 Issues from the 2006/07 audit

To assist the Board in assessing the significance of the issues raised and prioritising the action required to address them, the recommendations have been rated. The rating structure is summarised as follows:

Priority 1 High risk, material observations requiring immediate action.

Priority 2 Medium risk, significant observations requiring reasonably urgent action.

Priority 3 Low risk, minor observations which require action to improve the efficiency, effectiveness or economy of operations or which otherwise require to be brought to the attention of senior management.

It should be noted that the weaknesses identified in this report are only those that have come to our attention during the course of our normal audit work. The audit cannot be expected to detect all errors, weaknesses or opportunities for improvements in management arrangements that may exist.

Title	Issue Identified	Risk and Recommendation	Management Comments
Audit Committee	<p>Two of the audit committee meetings during 2006/07 have been inquorate.</p> <p>Priority 1</p>	<p>The audit committee, without appropriate attendance by non-executive directors may be unable to discharge its responsibilities effectively.</p> <p>The Board should review the membership of all board committees to ensure attendance requirements can be met.</p>	<p>The Council Meeting on 27/6/07 will debate the membership (and attendance) of the audit committee to ensure quorate meetings in order that the committee continues to meet requirements under Corporate Governance.</p>
Performance Management Arrangements	<p>New performance management arrangements have been introduced in April 2007 to coincide with the approval of a new Corporate Plan.</p> <p>Priority 1</p>	<p>These arrangements are critical to sportscotland carrying out its functions effectively and we recommend that the new arrangements are reviewed during 2007/08 to ensure they are fit for purpose.</p>	<p>Agreed.</p> <p>This process is set out in the Corporate/Business Plan which ensures continued measurement during 2007/08.</p>
Annual Accounts timetable	<p>The 2006/07 timetable for finalising statutory financial statements for the sportscotland group is particularly challenging and required two audit committee meetings to meet the various governance responsibilities.</p> <p>Priority 2</p>	<p>The shortened timetable means that the audit cannot be properly completed and adjustments to draft financial statements checked prior to the first audit committee. We recommend that in future only one audit committee meeting is scheduled to consider annual accounts issues and that this is delayed until the end of June.</p>	<p>Agreed. The year end accounting and audit process has tight timescales.</p> <p>The audit committee at its meeting on 6/6/07 agreed to have one meeting for all accounts for the 07/08 audit, proposed around 20/6/08.</p>

Title	Issue Identified	Risk and Recommendation	Management Comments
<p>Pricing Strategy</p>	<p>The PricewaterhouseCoopers internal review of the charitable status of the Trust company recommended that for each of the national centres a robust pricing strategy should be put in place.</p> <p>As part of our interim audit work we reviewed the cost monitoring systems in place at Inverclyde and Cumbrae.</p> <p>We have noted that there was no costing model in place at either Inverclyde or Cumbrae centres. Whilst 2007 prices at Cumbrae have been based on market information it is not clear how much costing detail was involved in determining course prices. We also noted that no monitoring information was being prepared at Cumbrae regarding the profitability or otherwise of each course although such information was being reviewed at Inverclyde.</p> <p>Priority 1</p>	<p>There is the risk that should The Scottish Sports Council Trust Company continue to record deficits, that charitable status could be lost.</p> <p>In our view it is essential that proper costing models are used to assess course prices at all of the National Sports Centres and that regular monitoring information is produced and reviewed covering monthly income and expenditure for household and activity course.</p> <p>We understand that since our interim audit considerable work has been undertaken by sportscotland staff to improve financial costing and monitoring procedures at the National Sports Centres.</p>	<p>Agreed.</p> <p>Development of a business model for identifying and reporting actual investment against centre courses is a priority during 2007/08. This work is necessary to identify corporate plan measures for the centres in terms of student days by sport, level and priority area and it was agreed centres may require different models. It also would provide clarity of investment in courses and the rationale for that investment (which could be up to 100% of cost) would be contained within the business plan. Proposals for consideration by Board at October 2007 meeting.</p>

Title	Issue Identified	Risk and Recommendation	Management Comments
<p>Aged debtors</p>	<p>A substantial number and amount of debtor balances at 31 March 2007 were over 5 months old (40% of all debtors). This highlights problems in the collection of income.</p> <p>The aged debtors report also showed debts of more than 1 year in age and one debt outstanding for 5 years.</p> <p>Priority 2</p>	<p>Debts which are unlikely to be paid should be written off. Whilst we understand that these older debts are mainly due from other government bodies we recommend that improved debt collection procedures are implemented.</p>	<p>Agreed.</p> <p>This process will be tightened across all of the sportscotland Group.</p>
<p>Remuneration committee meetings</p>	<p>The terms of reference for the remuneration committee state that the frequency of meetings should be not less than two times per year. There has only been one such meeting in 2006/07.</p> <p>Priority 2</p>	<p>The Board should reconsider the terms of reference for this committee.</p>	<p>Agreed.</p> <p>A review of the terms of reference will take place during 2007.</p>



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