

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Wednesday, 30 January 2008 at 2.10pm.

PRESENT: J Baillie (Chair)
I Low
R W Black
C Gardner
P Taylor

IN ATTENDANCE: D McGiffen, Director of Corporate Services
R Frith, Director of Audit Strategy

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Minutes
3.	Accountable Officer's Report
4.	Audit Scotland Corporate Plan 2008-2011
5.	Financial and Performance Update
6.	Property Update
7.	Disability Equality Scheme Annual Report
8.	Next Meeting

1. Apologies

Apologies for absence were submitted on behalf of the Secretary Catherine Coull.

2. Minutes

The minutes of meeting of 28 November 2007 were submitted and approved.

3. Accountable Officer's Report

The Accountable Officer introduced his report updating the Board on progress in Audit Scotland since its last meeting. He highlighted the following areas:

- Development of best value outside of local government
- The Government response to the Crerar review and the resultant opportunities and challenges
- the Report of the Scottish Commission for Public Audit on Audit Scotland's Budget for 2008/09
- internal Best Value review of the use of resources in Audit Services group which had just commenced

The position was noted.

4. Audit Scotland Corporate Plan

The Director of Corporate Services introduced a paper outlining the proposed approach to the Corporate Plan for 2008 – 2011 which would involve greater consultation than previously and result in the plan being finalised in September.

The Board approved the proposal.

5. Financial and Performance Update

The Director of Corporate Services introduced the report which contained performance information for the quarter ended September 2007 and financial information for the nine months to 31 December 2007.

The Board noted the performance information and that the net financial outturn at 31 December was £1.05 million below budget.

6. Property Update

The Director of Corporate Services introduced a paper updating the Board on various property issues and in particular the completion of the refurbishment of 18 George Street within budget. The Board noted the position and asked that written confirmation be provided of Audit Scotland's position in relation to the level of fire resistance protection for the structural steelwork.

7. Disability Equality Scheme Annual Report

The Director of Corporate Services presented the Annual Report on the Disability Equality Scheme. The Board welcomed the report.

8. Next Meeting

The next meeting was set for Tuesday 25th March at 2.00pm

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Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Tuesday, 25 March 2008 at 2.00pm.

PRESENT: J Baillie (Chair)
I Low
R W Black
P Taylor

IN ATTENDANCE: D McGiffen, Director of Corporate Services
R Frith, Director of Audit Strategy
C Coull, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Minutes
3.	Accountable Officer's Report
4.	Independent Review of Regulation, Audit, Inspection and Complaints Handling of Public Services – Government Response
5.	Budget 2008/09
6.	Review of NAO Corporate Governance
7.	Ethical Governance
8.	Corporate Homicide Act 2007
9.	Performance Update – Quarter 3 Report 2007/08
10.	2008 Pay Award (Main Grades)
11.	Reward Project Update (Main Grades)
12.	Diversity & Equality Report
13.	Board Membership
14.	Future Meetings

1. Apologies

Apologies for absence were submitted on behalf of Caroline Gardner.

2. Minutes

The minutes of meeting of 30 January 2008 were submitted and approved.

The minutes of meeting of the Audit Committee of 30 January 2008 were submitted and approved.

The minutes of meeting of the Remuneration Committee of 30 January 2008 were submitted and approved, subject to an amendment to show Phil Taylor as Chair of the Committee.

3. Accountable Officer's Report

The Accountable Officer introduced his report updating the Board on progress in Audit Scotland since its last meeting. He highlighted the following areas:

- Business Performance
- Supporting effective democratic scrutiny
- Maximising the value of the audit
- Quality assurance activity.
- International engagements
- External Relations
- Fire Protection work at 18 George Street.

The position was noted.

4. Independent Review of Regulation, Audit, Inspection and Complaints Handling of Public Services – Government Response

There was submitted a report by the Deputy Auditor General advising of the Government response to the Crerar Review of Scrutiny and the remit of the programme board and fixed term action groups which were carrying out work in this regard. It was noted that Audit Scotland was represented on four of the fixed term action groups with the fifth being chaired by Douglas Sinclair in his capacity as Chair of the Scottish Consumer Council. The implications for the Accounts Commission, the Auditor General and Audit Scotland were highlighted.

The position was noted.

5. Budget 2008/09

There was submitted a report by the Director of Audit Strategy and Director of Corporate Services presenting Audit Scotland's proposed budget for 2008/09 for approval. The budget included a number of efficiencies and was built on the same assumptions that had underpinned the SCPA bid.

Discussion took place in particular on the end of year flexibility, the ways in which this could be dealt with and the activities which it was proposed be funded in this manner.

Thereafter, the paper was noted and the budget for 2008/09 was approved.

6. Review of NAO Corporate Governance

There was submitted a report by the Accountable Officer updating the Board on the recent review of corporate governance at the National Audit Office and inviting the Board to consider any implications for Audit Scotland. Attached to the report was a copy of the Tiner report together with the response by the Public Accounts Commission.

It was agreed that it would be appropriate for an analysis to be carried out of Audit Scotland's procedures as against the proposals in the Tiner report and Government response. It was accordingly agreed that a further report should be submitted analysing the issues, showing where Audit Scotland was already compliant and where it would be appropriate for changes to be made.

7. Ethical Governance

There was submitted a report by the Director of Audit Strategy updating the Board on the implementation of ethical standards for Auditors in Audit Scotland and on a number of the issues that arose in respect of the running of the business. It was noted that the Management Team had concluded that the ethical standards principles should apply to all staff and discussion took place on the position of confidentiality in respect of secondees and possible difficulties in respect of services being shared with other bodies.

The position was noted.

8. Corporate Homicide Act 2007

There was submitted a report by the Director of Corporate Services providing an initial briefing on the implications for Audit Scotland of the Corporate Homicide Act 2007 which would come into force on 6 April 2008.

It was agreed that strategic health and safety issues, including any relating to corporate homicide, should be included within the remit of the Audit Committee; that it should be part of the annual internal audit programme, to inform the annual report of assurance; and that a briefing session be held for members at the next Audit Scotland meeting.

9. Performance Update – Quarter 3 Report 2007/08

There was submitted a report by the Director of Corporate Services presenting summary performance monitoring information for the third quarter of the financial year.

Questions were asked on a number of the performance statistics, in particular indicators 18, 2.1, 20, 6B1, 6C1 and 9.C2 and it was agreed that further information in this regard would be circulated to members.

10. 2008 Pay Award (Main Grades)

There was submitted a report by the Director of Corporate Services advising that the 2008 pay settlement within Scottish local government was likely to be delayed due to the employers and unions being unable to agree a settlement figure in time for the pay award date of 1 April 2008. The Audit Scotland Management Team had

discussed the matter and recommended that a interim settlement of 2% be made by Audit Scotland on 1 April 2008.

It was agreed that an interim settlement of 2% be made to main grade staff with effect from 1 April 2008.

11. Reward Project Update (Main Grades)

There was submitted a report by the Director of Corporate Services providing an overview of the key milestones and timescales for the completion of the first phase of the reward project for main grade staff.

Following discussion, it was agreed that the consultants be asked to differentiate in their analysis between Scottish bodies, private sector bodies, and bodies outwith Scotland and it was noted that a final suite of recommendations would be presented to the Remuneration Committee in August 2008.

12. Diversity & Equality Report

There was submitted a report by the Director of Corporate Services updating the Board on the progress of Diversity & Equality. A draft annual progress report was attached.

Following discussion, the position was noted.

13. Board Membership

There was submitted a report by the Secretary advising that Phil Taylor's term of office as a non-executive member would expire on 30 September 2008 and inviting the Board to consider the arrangements it would like to put in place to recruit a new member.

It was agreed that recruitment should comply with the Code for Public Appointments, and that the Secretary submit a further report to the next meeting with proposals.

14. Future Meetings

It was agreed that the following meetings be held on the following dates:

15 April	10.30 am	Remuneration Committee & Audit Committee
23 May	10.30 am	Audit Committee & Audit Scotland Board
12 August	10.30 am	Remuneration Committee & Audit Scotland Board
16 September	10.30 am	Audit Committee & Audit Scotland Board
19 November	2pm	Audit Committee

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Friday, 23 May 2008 at 12 noon.

PRESENT: J Baillie (Chair)
I Low
R W Black
P Taylor
C Gardner

IN ATTENDANCE: D McGiffen, Director of Corporate Services
R Frith, Director of Audit Strategy
C Coull, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Accountable Officer's Report
3.	Board Membership
4.	Performance Update – Quarter 4 Report 2007/8
5.	Draft Statutory Accounts 2007/8
6.	Corporate Governance of Audit Scotland
7.	Health and Safety

1. Minutes

The minutes of meeting of 25 March 2008 were submitted and approved.

The minutes of meeting of the Remuneration Committee of 15 April 2008 were submitted and approved.

2. Accountable Officer's Report

The Accountable Officer introduced his report updating the Board on progress in Audit Scotland since its last meeting. He highlighted the following areas:-

- Business performance
- Supporting effective democratic scrutiny
- Scottish Commission for Public Audit
- Stakeholder relations
- Audit Scotland Annual Report
- Speaking engagements.

The position was noted.

3. Board Membership

There was submitted a report by the Secretary with attached a timeline for the appointment of a new non-executive member to the Board, a draft advertisement and draft job description and person specification.

It was agreed:-

- i. that the papers be approved subject to some minor amendments;
- ii. that the advertisement be placed in the Scotsman and Herald newspapers and that consideration be given to whether it should also appear in the Sunday Times and Telegraph once the costs of such insertion were known;
- iii. that the advertisement be sent to bodies such as COSLA, Institute of Directors, CBI, appropriate professional organisations etc; and
- iv. to remit to the Secretary to contact OCPAS regarding the possible availability of an independent assessor.

(Action by Secretary)

4. Performance Update – Quarter 4 Report 2007/8

There was submitted a report by the Director of Corporate Services presenting summary performance monitoring information for the final quarter of the financial year, January to March 2008, and cumulative performance for the full year 2007/8.

The report was noted.

5. Draft Statutory Accounts 2007/8

It was reported that the Audit Committee had met earlier in the day and considered in detail the Annual Report and Accounts for 2007/8.

It was agreed to approve the recommendation of the Audit Committee that the Annual Report and Accounts be approved.

6. Corporate Governance of Audit Scotland

There was submitted a report by the Auditor General referring to John Tiner's review of the corporate governance of the National Audit Office and the response thereto by the Public Accounts Commission (TPAC) of the House of Commons. The report outlined each significant issue in the TPAC report and appended a brief comment on the implications for the arrangements in Scotland.

It was agreed that the Auditor General's report should be fine tuned and that thereafter the Chair of Audit Scotland should send it for information to the Presiding Officer and Chief Executive of the Parliament. It was also agreed that the report be considered further at the next meeting.

(Action by Chair and Auditor General)

7. Health and Safety

i. Corporate Homicide Act 2007

There was submitted a report by the Director of Corporate Services with an initial briefing on the implications for Audit Scotland of the Corporate Homicide Act 2007.

ii. Health and Safety Improvement Programme

David Blattman, Human Resources and Organisational Development Manager, and John Gunster from JG Safety presented a report on the health and safety improvement programme which was now under way in Audit Scotland. The implications for the Audit Scotland Board and Audit Committee, in particular, were highlighted.

It was agreed to note the report by the Director of Corporate Services and the presentation and to approve the key steps being taken to refresh health and safety management within Audit Scotland.

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Tuesday 12 August 2008 at 9.30am.

PRESENT: J Baillie (Chair)
I Low
P Taylor
R W Black
C Gardner

IN ATTENDANCE: D McGiffen, Director of Corporate Services
C Coull, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Minutes
2.	Audit Committee
3.	Accountable Officer's Report
4.	Complaint Against Audit Scotland–Third Stage Review
5.	Financial and Performance Update–Quarter 1 Report 2008/9
6.	Other Business

1. Minutes

The minutes of meeting of 23 May 2008 were submitted and approved. It was noted that interviews for the appointment of a new non-executive member to the Board were being held over the next few days.

2. Audit Committee

The minutes of meeting of the Audit Committee of 23 May 2008 were submitted and approved.

3. Accountable Officer's Report

The Accountable Officer introduced his report updating the Board on progress in Audit Scotland since its last meeting. He highlighted the following areas:-

- Business performance
- Supporting effective democratic scrutiny
- Maximising the value of audit
- Scottish Commission for Public Audit
- Stakeholder relations
- Public Sector Reform Bill
- Audit Scotland Corporate Plan
- International work
- Speaking engagements
- Website accreditation

It was noted in particular that the Scottish Commission for Public Audit had considered Audit Scotland's governance arrangements following the letter from the Chair and that governance issues would be considered further at their meeting in September. It was suggested that the Chair send a letter to SCPA advising that Audit Scotland intended to submit a more formal response in relation to governance arrangements and that this matter be considered at a meeting to be held on Monday 25 August at 9.30am.

It was also noted that Audit Scotland's web site had been awarded "Accessible plus" accreditation by the Shaw Trust and congratulations were expressed to those members of staff who were involved in this achievement.

(Action – letter to SCPA – Chair/Bob Black; report to meeting on 25 August – Bob Black)

4. Complaint Against Audit Scotland–Third Stage Review

There was submitted a report by Phil Taylor outlining the situation relating to two complaints made against Audit Scotland by one individual and setting out what had happened to the complaints at first stage, second stage and third stage reviews. The complaints had not been upheld.

However, in reviewing the handling of the complaint overall a number of issues had emerged in relation to the complaints procedure, and action was now being taken to improve the handling of complaints.

The position was noted.

5. Financial and Performance Update–Quarter 1 Report 2008/9

There was submitted a report by the Director of Corporate Services presenting summary performance monitoring information for the first quarter of the financial year 2008/9.

The position was noted and it was agreed that future reports should include a note regarding variances, indicating whether they were merely an issue of timing or an issue that was likely to continue.

(Action – amendment to future reports – Diane McGiffen)

6. Other Business

Phil Taylor reported that he had reviewed the expenses of the Auditor General for the financial year 2007/08 and had found everything to be in order.

The position was noted.

Minutes of Meeting of Audit
Scotland held in the offices of
Audit Scotland, 110 George
Street, Edinburgh on Tuesday
16 September 2008 at the
conclusion of the meeting of the
Remuneration Committee

PRESENT: J Baillie (Chair)
I Low
P Taylor
R W Black
C Gardner

IN ATTENDANCE: D McGiffen, Director of Corporate Services
C Coull, Secretary
R Frith, Director of Audit Strategy
D Hanlon, Finance Manager (items 6 and 7)
S Brennan, (Accent MR) (item 8)
M Mayes (Accent MR) (item 8)

<u>Item No</u>	<u>Subject</u>
1.	Minutes
2.	Recommendations of Committees
3.	Seminar on Governance Matters
4.	Accountable Officer's Report
5.	Business Continuity Plan–Version 4 Autumn 2008
6.	2009/10 Budget and 2008/9 Autumn Budget Revision and Fee Strategy
7.	Draft Fee Strategy
8.	Corporate Plan Consultation
9.	Valedictory

1. Minutes

The minutes of meeting of 12 August 2008 were submitted and approved.

2. Recommendations of Committees

The recommendations arising from meetings of the Audit Committee and Remuneration Committee held earlier in the day were noted and approved.

3. Seminar on Governance Matters

There was submitted a report by the Director of Corporate Services setting out the key points from the seminar on governance matters which had been held on 25 August.

The report was noted and it was agreed that the full report from the Financial Issues Advisory Group which had considered the options for setting up Audit Scotland was relevant and also that it should be noted that the protocol between the Accounts Commission and Auditor General needed to be revised.

(Action – provision of protocol between the Accounts Commission and Auditor General – Chair/Auditor General/Diane McGiffen/Catherine Coull)

4. Accountable Officer's Report

The Accountable Officer introduced his report updating the Board on progress in Audit Scotland since its last meeting. He highlighted the following areas:-

Business performance
Supporting effective democratic scrutiny–publication of reports
Maximising the value of audit
Scottish Commission for Public Audit
International Work.

The report was noted and it was agreed that, in future reports by the Accountable Officer, there be incorporated a standard heading on progress with regards to governance issues.

(Action –include standard heading on progress re governance issues – Bob Black)

5. Business Continuity Plan–Version 4 Autumn 2008

There was submitted a report by the Director of Corporate Services advising that the annual Business Continuity Plan review had been undertaken during July and August and a number of changes had been made. A draft of version 4 of the Business Continuity Plan was attached to the report for consideration by the Audit Scotland Board.

It was agreed to approve the draft plan, subject to the inclusion of appropriate arrangements for contacting the Chair of Audit Scotland when required.

(Action – amendment to plan – Diane McGiffen)

6. 2009/10 Budget and 2008/9 Autumn Budget Revision and Fee Strategy

There was submitted a report by the Director of Corporate Services and the Director of Audit Strategy describing the initial work in preparing the 2009/10 financial year budget and making proposals for a budget for 2009/10; for utilising the 2007/8 end year flexibility; in regard to fee increases for the 2008/9 and 2009/10 audit years; and setting out a draft fee strategy.

In response to questions from members of the Board a number of issues in the papers were explained. Consideration was also given to a number of items to be highlighted in the papers to be submitted to the SCPA in regard to the budget.

It was noted that the discussion which had taken place earlier in the day at the Remuneration Committee was not included in the budget and that an updated version would be submitted to the next meeting.

Thereafter the Board agreed to:-

- i. approve the assumptions underlying the 2009/10 budget and SCPA bid;
- ii. approve the proposals for utilising EYF from 2007/8.

(Action – updated budget to be submitted to next meeting – Russell Frith)

7. Draft Fee Strategy

There was submitted a draft fee strategy document explaining the principles and policies adopted in setting fees and charges and considering the application of the policies to the circumstances of setting fees for the 2008/9 and 2009/10 audit years and the preparation of the budget for the financial year 2009/10.

The paper was noted and approved and it was agreed that the fourth option be adopted—namely reducing the cumulative amount of EYF potentially available by making a rebate to relevant audited bodies (and the Scottish Consolidated Fund), such a rebate not being linked to any specific audit year.

Thereafter the Chair thanked David Hanlon for all his work in connection with the preparation of the budget reports.

8. Corporate Plan Consultation

Sean Brennan and Miranda Mayes of Accent MR gave a presentation on the consultation exercise with the Accounts Commission clients and stakeholders regarding the Audit Scotland corporate priorities 2008/2013.

During discussion it was suggested that the messages coming out of the consultation exercise should be looked at alongside the risk register. There was a need for better communication about the work of Audit Scotland to demonstrate more effectively the public value.

The position was noted and it was noted that a report would be submitted to the Accounts Commission in October on the consultation exercise.

9. Valedictory

John Baillie indicated that this was the last meeting of Audit Scotland to be attended by Phil Taylor who would be retiring as independent member of Audit Scotland in two weeks' time. On behalf of the Board and the whole organisation he thanked Phil for all his work over the past 7 years, for his insightful and penetrating questions at meetings and for his considerable work behind the scenes. He wished him well for the future. Bob Black associated himself with these remarks. Phil Taylor responded that he had considered it an honour and a pleasure to be involved with Audit Scotland.

Minutes of Meeting of Audit
Scotland held in the offices of
Audit Scotland, 110 George
Street, Edinburgh on Wednesday
19 November 2008 at the
conclusion of the meeting of the
Audit Committee

PRESENT: J Baillie (Chair)
R Cleland
I Low
R W Black
C Gardner

IN ATTENDANCE: D McGiffen, Director of Corporate Services
C Coull, Secretary
R Frith, Director of Audit Strategy

<u>Item No</u>	<u>Subject</u>
1.	Minutes
2.	Membership
3.	Remuneration Committee
4.	Audit Committee
5.	Accountable Officers' Report
6.	Scottish Commission for Public Audit's Report on Audit Scotland's Corporate Plan
7.	Strategic Statement between the Accounts Commission and the Auditor General for Scotland on the principles of public audit and the publication of Audit Scotland's Corporate Plan
8.	Performance and Financial Update Quarter 2 Report 2008/09
9.	Timetable of Meetings

1. Minutes

The minutes of meeting of 16 September 2008 were submitted and approved and action was noted. It was agreed that Russell Frith would now proceed to circulate the updated budget.

(Action – updated budget to be circulated – Russell Frith)

2. Membership

The Chair welcomed Ronnie Cleland to his first meeting of the Board of Audit Scotland and congratulated him on his appointment.

It was agreed that he be appointed as Chair of the Remuneration Committee and as a member of the Audit Committee.

3. Remuneration Committee

The minutes of meetings of the Remuneration Committee of 16 September and 15 October 2008 were submitted and the recommendations contained therein approved.

4. Audit Committee

The minutes of meeting of the Audit Committee of 16 September 2008 were submitted and the recommendations contained therein were approved.

Isabelle Low reported on the meeting of the Audit Committee held earlier in the day and the recommendations of that meeting were approved.

5. Accountable Officer's Report

The Accountable Officer introduced his report updating the Board on progress in Audit Scotland since its last meeting. He highlighted the following areas:-

Business performance
Supporting effective democratic scrutiny—publication of reports and press comment
Maximising the value of audit
Scrutiny improvement
Best Value development
International work

The report was noted.

6. Scottish Commission for Public Audit's Report on Audit Scotland's Corporate Governance

There was submitted a report by the Auditor General giving an overview of the issues raised by the SCPA's recent review of Audit Scotland's governance arrangements. The Board was invited to consider its response to the issues raised by the report and agree a way forward.

It was reported that the Parliament had established an ad hoc committee, entitled the Review of SPCB Supported Bodies Committee to consider and report on matters relating to bodies supported by the SPCB, including the issues raised by the SCPA. It

was anticipated that the Accounts Commission, the Auditor General and Audit Scotland would all be invited to submit written evidence.

Consideration was given to Annex A to the report which summarised the main recommendations of the SCPA report and commented on them. The following points were made with regard to specific recommendations:-

- "AGS may not apply for any post during term of office–T&C should compensate for earnings gap"–it would be important to ensure that the restrictions were not so onerous that it would be impossible to recruit to the post
- "Consideration by SPCB whether the post of DAG should be a formal statutory post"–this would require some further consideration
- "Retain functions and processes of the AC but recommendation for a review with the aim of simplifying the structure"–Audit Scotland should look for positive solutions in this regard and should give consideration to the paper being presented to the Accounts Commission on options, including putting in place arrangements for reporting to the Scottish Parliament
- "The SCPA's role as focus for political accountability, and not to have the functions of the Board"–it was noted that the SCPA Clerk would liaise with Diane McGiffen regarding the production of a new protocol
- "Board of five, consisting of AGS, Chair of the AC and three independent non members"–the current size of the Board is considered to be appropriate
- "Board members to be appointed for a fixed term"–consideration would need to be given to the appointment of Isabelle Low and Caroline Gardner in this respect.

Discussion thereafter took place on the anticipated invitation to submit written evidence to the Committee. The view was that it would be appropriate to make one joint submission from all three parties, if this proved possible, but that individual responses could be made in respect of any items where different views were held. Consideration would need to be given in this regard to the paper being prepared for the Accounts Commission on options with relation to its functions and processes.

(Action – further consideration of proposed submission to Committee – Chair/Auditor General)

7. Strategic Statement between the Accounts Commission and the Auditor General for Scotland on the principles of public audit and the publication of Audit Scotland's Corporate Plan

There was submitted report by the Auditor General for Scotland together with a joint report from the Chair of the Accounts Commission and the Auditor General which had been considered by the Accounts Commission earlier in the day on the proposal that a joint statement be published on the principles of public audit in Scotland. The report also set out the timescale for production of the Audit Scotland Corporate Plan.

The Chair reported that the Accounts Commission had approved the preparation of a joint strategic statement and the revision of the protocol between the Auditor General and the Accounts Commission on how they would exercise their functions in relation to Audit Scotland.

It was noted that Board approval for the Corporate Plan was needed in early December and agreed that a meeting be held on 9 December at 10am for this purpose.

(Action – preparation of joint strategic statement – Chair/Auditor General; review of protocol – Secretary and Controller of Audit)

8. Performance and Financial Update Quarter 2 Report 2008/09

There was submitted report by the Director of Corporate Services presenting summary performance monitoring information for Quarter 2 of the financial year, July to September 2008.

Following discussion on a number of points the report was noted.

9. Timetable of Meetings

The timetable of meetings for 2009 was submitted and approved.

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Tuesday 9 December 2008 at 10am.

PRESENT: J Baillie (Chair)
R Cleland
I Low
R W Black

IN ATTENDANCE: D McGiffen, Director of Corporate Services
R Frith, Director of Audit Strategy
C Coull, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Minutes
3.	Audit Committee
4.	Joint Statement by the Auditor General and the Accounts Commission for Scotland on the Principles of Public Audit
5.	Audit Scotland Corporate Plan 2009/12
6.	2009/10 Budget
7.	SCPA Report on Audit Scotland's Budget Proposal 2009/10
8.	Parliamentary Committee to Review SPCB Supported Bodies
9.	Audit Scotland Annual Report on Disability Equality
10.	Future Meetings

1. Apologies

Apologies for absence were intimated on behalf of Caroline Gardner.

2. Minutes

The minutes of meeting of 19 November 2008 were submitted and approved.

3. Audit Committee

The minutes of meeting of the Audit Committee of 19 November 2008 were submitted and noted.

4. Joint Statement by the Auditor General for Scotland and the Accounts Commission for Scotland on the Principles of Public Audit

There was submitted a report by the Auditor General with attached a draft Joint Statement by the Auditor General and the Accounts Commission on the Principles of Public Audit in Scotland. In part, the statement was designed to provide a strategic context for the Audit Scotland Corporate Plan and would be presented to the Accounts Commission at its December meeting.

Following discussion, during which a number of detailed points were made relating to wording, it was agreed:-

- i. that the need for elected representatives and the public to understand and have confidence in the arrangements for independent scrutiny of public bodies should be included as a fundamental principle;
- ii. that the last sentence in the document should refer to the requirement on Audit Scotland regularly to monitor performance against the Corporate Plan;
- iii. that a revised draft document be emailed to all members of the Board for consideration prior to its submission to the Accounts Commission, and
- iv. once the document had been approved by the Accounts Commission and Auditor General it be sent to appropriate stakeholders as an "exposure draft" for their consideration.

(Action –amendments to Joint Statement – Diane McGiffen)

5. Audit Scotland Corporate Plan 2009/12

There was submitted a report by the Auditor General for Scotland presenting a draft Corporate Plan for Audit Scotland for 2009/12. The plan had been prepared following extensive consultation with clients and stakeholders and would be supported internally by detailed sector plans.

Following considerable discussion it was agreed:-

- i. that the plan should place more emphasis on public engagement and assurance by highlighting the considerable work which was done to that end, and

- ii. to approve the Corporate Plan in principle subject to some minor amendments to wording.

(Action – amendments to Corporate Plan – Diane McGiffen)

6. 2009/10 Budget

There was submitted a report by the Director of Corporate Services referring to the meeting of the Board on 16 September 2008 when the 2009/10 budget had been approved and the Board had requested a further report which included the cost implications of the decisions of the Remuneration Committee in respect of the Reward Strategy. Attached to the report was a copy of the final budget submission to the SCPA.

The Board agreed to note the report and to approve the updated budget.

7. SCPA Report on Audit Scotland's Budget Proposal 2009/10

There was submitted a report by the Director of Corporate Services updating the Board on the consideration by the SCPA of Audit Scotland's budget. Attached to the report was the SCPA report and it was noted that there were a number of specific areas to be covered in a response from Audit Scotland which was required by the end of January.

It was noted that a draft response to the SCPA report was being prepared and it was agreed that a meeting be held on Tuesday 6 January at 10am to consider the draft response and to begin discussion on the future role and focus of the Board.

(Action – draft response to SCPA report; draft discussion paper on role and focus of Board – Diane McGiffen)

8. Parliamentary Committee to Review SPCB Supported Bodies

There was submitted a report by the Director of Corporate Services updating the Board on the Parliamentary Committee reviewing SPCB supported bodies. The Committee had issued a call for evidence and the Auditor General had been requested to make a written submission.

Discussion took place on how Audit Scotland should respond. With regard to those recommendations relating to the terms and conditions of the appointment of the Auditor General, it was agreed that the Auditor General should make a written submission which could be endorsed by Audit Scotland. With regard to the recommendations of the Crerar Review it was agreed that a written submission be made reporting progress and enclosing the exchange of letters between the Cabinet Secretary and Chair of the Accounts Commission.

(Action – draft submission re Crerar – Chair/ Caroline Gardner)

9. Audit Scotland Annual Report on Disability Equality

There was submitted a report by the Director of Corporate Services presenting Audit Scotland's draft report on disability equality for the year from December 2007 to November 2008.

During discussion it was suggested that consideration should be given to the appointments to the Audit Scotland Board.

Thereafter the Board agreed to approve the report.

10. Future Meetings

It was agreed that the next meeting be held on Tuesday 6 January at 10am; that the meetings arranged for 14 January be cancelled; and that the meeting on 18 February commence at 2pm and be followed by a meeting of the Audit Committee.