

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Tuesday 6 January 2009 at 10am.

PRESENT: J Baillie (Chair)  
R Cleland  
I Low  
R W Black  
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.	Minutes
2.	SCPA Report on Audit Scotland's 2009/10 Budget
3.	SCPA Report on Audit Scotland's Governance
4.	Appraisal Interviews

1. Minutes

The minutes of meeting of 9 December 2008 were submitted and approved.

With reference to item 4 – Joint Statement by the Auditor General and the Accounts Commission on the Principles of Public Audit – it was agreed that this be sent to appropriate stakeholders as an “exposure draft” at the same time as the Audit Scotland Corporate Plan was published.

2. SCPA Report on Audit Scotland’s 2009/10 Budget

There was submitted a report by the Director of Corporate Services setting out a draft response to the report by the SCPA on Audit Scotland’s 2009/10 Budget.

It was agreed that the response should be submitted in the joint names of the Chair and Accountable Officer and set out the views of the Audit Scotland Board on the report. A number of points were agreed in respect of the drafting of the response and it was remitted to the Director of Corporate Services to prepare a further draft for consideration.

*(Action – further draft to be prepared and circulated – Diane McGiffen)*

3. SCPA Report on Audit Scotland’s Governance

There was submitted a report by the Director of Corporate Services with attached a number of background papers intended to inform the Board’s decision on how best to respond to the SCPA report on Governance.

A list of the SCPA recommendations was attached and discussed in detail and it was agreed that the Director of Corporate Services prepare a draft response for consideration by Board members.

It was further agreed:-

- i. that a timeline be prepared showing what action needed to be taken in respect of responses to Parliamentary committees;
- ii. that the Auditor General’s letter of 18 December to the Convener of the Review of SPCB Supported Bodies Committee be endorsed and that a copy of the response to the SPCA be sent to this body also, and
- iii. that a meeting be provisionally arranged for 9.30am on Friday 16 January to consider the draft responses to the SCPA.

*(Action – draft response and preparation of timeline – Diane McGiffen)*

4. Appraisal Interviews

It was agreed that the Chair would hold appraisal interviews with members of the Board in the Spring.

*(Action – arrangements for interviews – Catherine Coull)*

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Wednesday 1 April 2009 at 10am.

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

IN ATTENDANCE: D McGiffen, Director of Corporate Services  
R Frith, Director of Audit Strategy  
C Coull, Secretary  
J Gunster, Health and Safety Adviser (item 6)  
D Hanlon, Finance Manager (items 8 and 9)  
A Swarbrick, Assistant Director Audit Services (item 11)

<u>Item No</u>	<u>Subject</u>
1.	Declarations of Interest
2.	Minutes
3.	Remuneration Committee
4.	Non-Executive Members
5.	Audit Committee
6.	Health and Safety Presentation
7.	Accountable Officer's Report
8.	Finance and Business Performance Report – Quarter 3
9.	Budget 2009/10
10.	Capital Spend Update – IT Hardware Replacement
11.	Electronic Working Papers – Supplier Selection
12.	Draft Framework for Partnership Working
13.	Delegation of the Functions of the Auditor General in the Event of Incapacity
14.	Public Services Reform Bill

1. Declarations of Interest

It was noted that there were no declarations of interest.

2. Minutes

The minutes of meeting of 6 January 2009 were submitted and approved.

3. Remuneration Committee

The minutes of meeting of the Remuneration Committee of 18 February 2009 were submitted and approved.

4. Non-Executive Members

The minutes of meeting of the non-executive members of 18 February 2009 were submitted and approved by the non-executive members.

5. Audit Committee

The minutes of meeting of the Audit Committee of 18 February 2009 were submitted and approved.

6. Health and Safety Presentation

There was submitted a report by the Director of Corporate Services introducing the presentation on health and safety legislation and the role of executive and non-executive Board members. Thereafter John Gunster, Health and Safety Adviser, delivered a presentation and answered questions.

The position was noted.

7. Accountable Officer's Report

There was submitted a report by the Accountable Officer updating the Board on progress and events at Audit Scotland since the date of his last report. The report dealt with the following issues:-

- Statutory reports
- Performance Audit and other reports
- Maximising the value of audit
- National Fraud Initiative
- Scrutiny Improvement work
- Best Value development
- International work
- Corporate Plan development
- Main grade review and package update
- Evidence to the Calman Commission.

The Accountable Officer's report was noted and it was agreed that the non-executive members of the Board should receive copies of the regular communications digest and advance copies of press releases.

*(Action - Copies of Communications Digest and press releases to be circulated – Diane McGiffen)*

8. Finance and Business Performance Report – Quarter 3

There was submitted report by the Director of Corporate Services presenting a summary of financial and business performance monitoring information for Quarter 3 of the financial year, October – December 2008. The report had been circulated to members of the Board some weeks previously, given the timing of the meeting.

A number of questions were asked and answered and discussion took place on a number of issues, including income from secondments, fee income and the projected underspend.

Thereafter it was agreed:-

- i. to note the position as outlined in the Quarter 3 report 2008/9;
- ii. to note the policy on secondments as outlined by the Controller of Audit; and
- iii. that quarterly monitoring reports be circulated to Board members as soon as they were available and that further consideration be given to the future programme of meetings to minimise the delay in consideration of these reports.

*(Action – Quarterly monitoring reports to be circulated – Diane McGiffen;  
consideration of future meeting programme – Secretary)*

9. Budget 2009/10

There was submitted report by the Director of Audit Strategy and Director of Corporate Services presenting Audit Scotland's proposed budget for 2009/10. The proposed budget was based on that approved by the SCPA in November 2008. While a number of changes were proposed in respect of salary costs, the total budget remained consistent with the financial envelope approved by the SCPA.

Discussion took place on a number of issues including the budget assumptions and the vacancy assumption, the item entitled Management Team controlled expenditure, and the level of budget on legal and professional fees. It was noted that Management Team controlled expenditure was essentially a contingency figure, drawn from a number of individual budget heads.

Thereafter it was agreed that the budget be approved.

10. Capital Spend Update – IT Hardware Replacement

There was submitted a report by the Director of Corporate Services updating the Board on the capital expenditure on the planned replacement of IT hardware. This had been approved within the authority delegated to the Management Team.

The position was noted.

11. Electronic Working Papers – Supplier Section

There was submitted report by the Deputy Auditor General seeking approval from the Board for the selection of MK Insight as the preferred supplier for an electronic working papers system for the Audit Services Group. The report informed the Board of the anticipated business benefits of the investment and set out details of the process of product selection. A detailed assessment of the business and IT functionality for each of three products had been carried out and details of the final

assessment against eight criteria were given, together with the main conclusions drawn from this assessment.

Discussion took place on the management of risk involved in the procurement, development and implementation of the system and it was noted that the costs included training of key staff. Reassurances were given regarding the detailed investigation which would take place into the preferred supplier.

Thereafter the Board agreed to approve the selection of MK Insight as the preferred supplier for the electronic working papers system.

12. Draft Framework for Partnership Working

There was submitted a draft framework document for partnership working between the Accounts Commission, the Auditor General and Audit Scotland.

It was agreed that the framework be approved for the interests of Audit Scotland, subject to a number of minor drafting points being altered, and that the document be then submitted to the Accounts Commission for its consideration.

Discussion took place on the need for a document that could be used to inform the public of the partnership arrangement and it was agreed that the communications team be asked to prepare a document based on the draft framework which would then be put on the web site.

*(Action – Communications team to prepare document – Caroline Gardner)*

13. Delegation of the Functions of the Auditor General in the Event of Incapacity

There was submitted a report by the Auditor General informing the Board of the arrangements that would come into effect in the event of the temporary incapacity of the postholder. Attached to the report was a letter of delegation which would come into effect if the Auditor General were temporarily incapacitated and unable to delegate his/her functions.

The Board agreed to note the arrangements and the proposed letter, subject to the inclusion at the end of the first line of the letter of the words “to the Deputy Auditor General”.

14. Public Services Reform Bill

An update was given on the proposed amendments to the Public Finance Act which were likely to be contained in the Public Services Reform Bill. Discussion took place on the government’s proposals and it was considered that the current public appointments procedure through the office of the Commissioner for Public Appointments should be utilised for the appointment of members and the Chair of Audit Scotland.

Minutes of Meeting of Audit  
Scotland held in the offices of  
Audit Scotland, 110 George  
Street, Edinburgh on Thursday, 4  
June 2009 at 11.30hrs

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

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

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Declarations of Interest
3.	Minutes dated 1 April 2009
4.	Accountable Officer's Report
5.	Performance Update – Q4 Report 2008/09
6.	Annual Report from the Audit Committee
7.	Draft Statutory Accounts – 2008/09
8.	International Steering Group – 2008/09
9.	Gender Equality Scheme – Annual Report on Progress
10.	Any Other Business

1. Apologies

No apologies were submitted.

2. Declarations of Interest

It was noted that there were no declarations of interest.

3. Minutes

The minutes of meeting of 1 April 2009 were submitted and approved.

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:

- Audit Procurement and Quality Assurance
- Annual Audits
- Best Value Audits
- Performance Audits
- Local Government Scrutiny Co-ordination
- International Work
- Meetings with the SCPA
- Speaking engagements

The Board congratulated Russell Frith on his appointment to the UK Auditing Practices Board, which was detailed in the report. The report was noted.

5. Performance Update Q4 Report

There was submitted a report on Q4 Performance 2008/09 by the Director of Corporate Services and accumulative performance for the full year 2008/09.

The report was noted.

6. Annual Report from the Audit Committee

There was submitted an Annual Report from the Audit Committee which, on the basis of the work reviewed and the progress made during 2008/09, advised the Board that in the opinion of the Audit Committee, the internal control systems in Audit Scotland were adequate and effective.

The report and assurance were noted.

7. Draft Statutory Accounts 2008/09

It was reported that the Audit Committee had met earlier in the day and had considered, in detail, the Annual Report and Accounts for 2008/09. It was agreed to accept the recommendation of the Audit Committee that the Annual Report and Accounts 2008/09 be approved.



8. International Steering Group – 2008/09

There was submitted a report by the Director of Corporate Services on the work of the International Steering Group. The report highlighted the work being undertaken in EU and developing countries and the visits to Audit Scotland from various audit agencies and parliaments. The Board welcomed the report and commended the content and presentation of the report and approved its publication on the Audit Scotland website.

9. Gender Equality Scheme – Annual Report on Progress

There was submitted a report by the Director of Corporate Services an Annual Report on Progress under the Gender Equality Scheme. The Board approved the report for publication on the Audit Scotland website and noted the plans and work underway to develop a single diversity scheme.

10. Any Other Business

The Board noted the publication of the Public Services Reform Bill and received a briefing from the Director of Audit Strategy on the parts of the draft legislation relevant to Audit Scotland and scrutiny.

The Board expressed its thanks for the work of the Audit Scotland team for preparing the Accounts and the Annual Reports.

Minutes of Meeting of Audit  
Scotland held in the offices of  
Audit Scotland, 110 George  
Street, Edinburgh on Thursday,  
27 August 2009 at 10.30hrs

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

APOLOGIES: C Gardner

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

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Declarations of Interest
3.	Minutes dated 4 June 2009
4.	Board Evaluation
5.	Board Recruitment
6.	Declarations of Interest & Hospitality
7.	Framework for Partnership Working
8.	2009/10 Autumn Budget Revision
9.	Local Government Pension Scheme Regulations Policy Statement
10.	Audit Scotland – Standing Orders Amendment
11.	Performance & Financial Update – Q1 Report 2009/10
12.	Accountable Officer's Report
13.	Budget Preparation – Firm's Remuneration
14.	Business Continuity Update – Pandemic Planning
15.	Scottish Information Commissioner – Decision Notice

1. Apologies

Caroline Gardner submitted her apologies for the meeting.

2. Declarations of Interest

It was noted that there were no declarations of interest.

3. Minutes

The minutes of meeting of 4 June 2009 were submitted and approved.

4. Board Evaluation

There was submitted a report by the Chair on options for Board Evaluation. Following discussion, it was agreed to proceed with an evaluation process that would include individual discussions between the Chair and board members, leading to a report back to the Board from the Chair. This would be supported by some external involvement from an experienced board evaluator, and supplemented by Ronnie Cleland who would provide feedback from executives on the role and performance of the Board.

Among the issues the evaluation process should consider are:

- The role of the Board internally and externally
- The Board's formal powers and delegated powers
- The role description for non-executive members of the Board.

It was agreed that in discussion with the Chair, Diane would draft a remit and terms of reference for the Board Evaluation taking account of the tool-kit for Board Evaluation used by Audit Scotland, and which had been circulated.

It was agreed that the Board should aim to complete the evaluation by the autumn, and that the Board would consider an arrangement for publishing the process and any actions agreed from the evaluation.

It was agreed that Ronnie Cleland should attend a future meeting of the Accounts Commission.

5. Board Recruitment

The Chair provided a verbal update on the progress with the recruitment of an additional non-executive member to the Board. Interviews were scheduled for 4 & 7 September.

Ronnie Cleland offered to have a discussion with prospective appointees if that would be helpful.

6. Declarations of Interest & Hospitality

There was submitted a report by the Director of Audit Strategy presenting options from review of Audit Scotland's policy procedures and processes for declaring interests and hospitality.

Following discussion, the Board agreed:

- To adopt the revised Code of Conduct for Board members
- That Declarations of Interest should be completed and published on the Audit Scotland website for all members of the Board and Management Group and that all declarations should include the Local Authority area of any property owner
- That Russell Frith should report back to the Board with further clarification on Declarations of Interest in heritable property, prior to the completion of the register of interests
- That hospitality records should be published quarterly for all members of the Board and Management Group and that the records should include hospitality given and accepted
- That the total expenses claimed each month should be published quarterly for all members of the Board and Management Group.

7. Framework for Partnership Working

There was submitted a report by the Chair on the framework for joint working between the Accounts Commission, the Auditor General for Scotland and Audit Scotland. This framework had been previously considered by the Board, had now been considered and amended by the Accounts Commission and was presented finally to the Board for noting. The Board noted the final revisions to the framework.

8. 2009/10 Autumn Budget Revision

There was submitted a report by the Director of Corporate Services on the 2009/10 Autumn Budget Revision.

Following discussion, the Board approved the proposals to request end-year flexibility of £500,000 to complete the expenditure required on lift replacement and the implementation of the reward and competency project and to continue with the previously approved funding for development of Best Value and scrutiny activity.

The Board noted that the request for funding had been revised downwards from previous estimates.

9. Local Government Pension Scheme Regulations Policy Statement

There was submitted a report by the Director of Corporate Services requesting approval of a revised policy statement on the Local Government Pension Scheme Regulations.

Following discussion, the revised policy statement was approved.

10. Audit Scotland – Standing Orders Amendment

There was submitted to the Board a report by the Accountable Office requesting a temporary amendment to Audit Scotland's Standing Orders to provide temporary authority for the Director of Corporate Services to sign Deeds on behalf of Audit Scotland, in conjunction with the Chair of the Accounts Commission or the Auditor General for Scotland. This change was requested pending a fuller review of the Standing Orders, which would be discussed at the September Audit Committee meeting, and in order to accommodate on-going business given the deletion of the post of Secretary.

The Board approved the change.

11. Performance & Financial update – Q1 Report 2009/10

There was submitted to the Board a report on quarter one performance including a financial report. Following discussion, the Board noted the performance in quarter one, and the arrangements for revising performance, monitoring and reporting to reflect the new corporate plan. The Board also requested that progress on performance audits against targets should be presented in summarised form, and that the significance on timing on variances against budget should be clearly signalled.

12. Accountable Officer's Report

There was submitted a report to the Board by the Accountable Officer updating the Board on progress and current events at Audit Scotland since June.

Among the items reported on were:

- Progress on the Annual Audits
- Progress on the Best Value Audits
- Publications since June
- Progress with Local Government Scrutiny Coordination
- The responses to the Audit Scotland Annual Report
- The range of meetings with Stakeholders in Central Government Bodies.

13. Budget Preparation – Firm's Remuneration

There was submitted a report by the Director of Audit Strategy setting out the proposals for increases in the Firm's Remuneration and the introduction of efficiency savings.

The Board noted the consultation with Firms and discussed the overall approach to setting efficiency targets for this part of Audit Scotland's budget.

The Board noted that the draft budget for 2010/11 will be presented to the September Board meeting for approval.

14. Business Continuity Update – Pandemic Planning

There was submitted to the Board a report by the Director of Corporate Services outlining the business continuity arrangements in place and under review in response to the potential threat to Audit Scotland from the Swine Flu virus.

Following discussion, the Board noted the actions taken in preparation for the Swine Flu Pandemic.

15. Scottish Information Commissioner – Decision Notice

There was submitted a report by the Director of Corporate Services detailing the decision by the Scottish Information Commissioner – Decision 096/2009 which had found that Audit Scotland had partially failed to deal with a request for information.

The Board discussed the details of the Scottish Information Commissioner's decision and noted it, pending further consideration of the issue within Audit Scotland, and a further report by to the Board.

16. Any Other Business

There was no further business.

Minutes of Meeting of Audit  
Scotland held in the offices of  
Audit Scotland, 110 George  
Street, Edinburgh on Friday, 25  
September 2009 at the  
conclusion of the Audit  
Committee

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

APOLOGIES: None

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

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Declarations of Interest
3.	Minutes dated 27 August 2009
	Matters Arising
	<ul style="list-style-type: none"><li>• Guidance on the Inclusion of Heritable Property in the Declaration of Interest</li><li>• Board Evaluation</li></ul>
4.	SCPA Budget Proposal 2010/11 and updated Fee Strategy
5.	Retirement Policy – 2009 Local Government Scheme
6.	Data Protection Policy
7.	Accountable Officer's Report
8.	Scottish Information Commissioner position and wider issues raised
9.	Any other business

1. **Apologies**

There were no apologies given.

2. **Declarations of Interest**

It was noted that there were no declarations of interest.

3. **Minutes**

The minutes of meeting of 27 August 2009 were submitted and approved.

**Matters Arising**

1. **Guidance on the Inclusion of Heritable Property in the Declaration of Interest**

There was submitted a paper by the Director of Audit Strategy setting out draft guidance on the inclusion of heritable property in the declarations of interest by Audit Scotland Board Members and Directors. The Board agreed to the recommendations in the paper that disclosure should be required on:

- The local authority/national park area of any property in Scotland lived in as a main residence or holiday home including such property if owned by or jointly with a spouse or civil partner.
- The local authority/national park area in Scotland of any other property majority owned

It was also agreed that property owned through a company or trust, other than a main residence or holiday home would be covered by any declaration required in relation to the interest in or directorship of that company. The conclusion of this matter meant that the revised code of conduct and declarations could now be implemented.

4. **Board Evaluation**

There was tabled a short slide presentation on the proposed board evaluation process, which it was agreed would involve:

- A group discussion on the key themes for the Board to consider
- Non-executive board member observation of management meetings at Audit Scotland
- Interviews between the Chair and each board member
- A report back to the Board from the Chair
- An agreed Board development agenda for 2009 -11.

It was agreed that the process should be completed by the end of January 2010.

5. **SCPA Budget Proposal 2010/11 and updated Fee Strategy**

There was submitted a report by the Director of Corporate Services and the Director of Audit Strategy on the initial work in preparing the 2010/11 financial year budget.

The Board discussed the principal budgeting assumptions, the proposals for meeting an efficiency target of 2 per cent and the pressures on the budget. Following discussion, the Board approved the underlying budget assumptions and that the budget proposal for the SCPA should be submitted on the basis of a request for an increase of funding from the SCPA of 1.5 per cent in financial year 2020/11 and a fee uplift for 2009/10 audits of 1.5 per cent, followed by 1.25 per cent. in audit year 2010/11. The board also agreed the updated fee strategy, which had been revised to reflect the budget assumptions. It was agreed that Audit Scotland should now proceed with its agreed budget submission to the SCPA.

It was agreed that the Board should consider longer-term funding matters at a future meeting, prior to the commencement of the procurement process.

*David Hanlon left the meeting.*

## **6. Retirement Policy – 2009 Local Government Scheme**

There was submitted a report by the Director of Corporate Services which provided Board members with a draft new retirement policy for approval. The Board was advised that Audit Scotland is obliged to update and publish a new retirement policy following the implementation of the new 2009 Local Government in Scotland Pension Scheme. It was noted that the new retirement policy included a new section about flexible retirement, a statement about employees who wish to retire and then work with Audit Scotland on a self-employed consultant basis and procedural guidance for assessing applications for retirement.

The Board approved the revised retirement policy.

## **7. Data Protection Policy**

There was submitted a report by the Director of Corporate Services which updated the Board on the review of Audit Scotland's Data Protection Policy and associated documents.

The Data Protection Act 1998 (DPA) places a duty on Audit Scotland to protect the personal information which we hold and to provide individuals with access to information we possess about them.

The Board noted and approved the changes to the Audit Scotland Data Protection Policy.

## **8. Accountable Officer's Report**

There was submitted a report to the Board by the Accountable Officer updating the Board on progress and current events at Audit Scotland since August.

Among the items reported on were:

- A delegation from the Chinese National Audit Office visited our offices in September as did the Secretariat of the Cabinet of Ministers of the Ukraine.
- John Baillie, Russell Frith and the Accountable Officer's gave evidence to the Parliament's Finance Committee on 8 September in connection with the Public Services Reform (Scotland) Bill at Stage 1.
- The signing off of local government audits by the end of September by Audit Services.



- The Accounts Commission agreed the overview report on the first round of BV audits at its meeting on 16 September.
- The Auditor General signed the audit opinion on the Scottish Government Consolidated Accounts on 24 September. This was the earliest date for completion and marks a significant achievement by the team.

The Accountable Officer also advised the Board about the recent evidence taking session with the SCPA on Audit Scotland's 2008/09 annual report and accounts and proposal for end year flexibility funding.

## **9. Scottish Information Commissioner decision and wider issues raised**

There was submitted a report by the Director of Corporate Services which updates the Board following a recent decision by the Scottish Information Commissioner that Audit Scotland had partially failed to deal properly with a request for information. The report also outlines the wider policy and practice issues raised by this decision and updates the Board on the way forward.

The Board noted the issues raised by the recent decision and approved the planned course of action of writing to the Scottish Information Commissioner and the Minister for Parliamentary Business.

## **10. Any other business**

### **10.1. Remuneration Committee**

The Board approved a review of the Remuneration Committee remit, following discussion of the standing orders and scheme of delegation in the Audit Committee.

It was noted that the next meeting of the Remuneration Committee would be on 8 October 2009 at 11am.

### **10.2 Swine Flu**

The Director of Corporate Services provided an update on Audit Scotland's preparations for swine flu since the previous Board meeting.

### **10.3 Isabelle Low**

The Chair thanked Isabelle for her considerable work on the Audit Scotland Board and Audit Committee and expressed his thanks for her many significant contributions to discussions during this time. He particularly commended her work as Chair of the Audit Committee, and was joined by other Board members in wishing her well.

Minutes of Meeting of Audit  
Scotland held in the offices of  
Audit Scotland, 110 George  
Street, Edinburgh on Thursday, 3  
December 2009 at 10.10hrs

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

APOLOGIES: None

IN ATTENDANCE: D McGiffen, Director of Corporate Services  
L Meahan, Assistant Director, Audit Services, Chair of the Diversity  
and Equality Steering Group  
D Hanlon, Finance Manager

<b><u>Item No</u></b>	<b><u>Subject</u></b>
1.	Apologies
2.	Declarations of Interest
3.	Minutes dated 25 September 2009
	Matters Arising
	<ul style="list-style-type: none"><li>• Board to consider longer-term funding matters</li></ul>
4.	Appointment to the Chair of the Audit Committee
5.	Single Equality Scheme
6.	Performance & Financial Update – Quarter 2 Report
7.	Business Continuity Plan
8.	International Strategy
9.	2010 Board / Audit Committee Proposed Meeting Dates
10.	Accountable Officer's Report
11.	SCPA Report to Audit Scotland's 2010/11 Budget
12.	Swine Flu Update
13.	Any other business
14.	Date of Next Meeting

1. **Apologies**

There were no apologies given.

2. **Declarations of Interest**

It was noted that there were no declarations of interest.

3. **Minutes**

The minutes of meeting of 25 September 2009 were submitted and approved.

**Matters Arising**

1. **Board to consider longer-term funding matters**

It was agreed that the board would discuss longer-term funding matters at its January 2010 meeting, and that the Director of Audit Strategy would prepare a briefing paper to support the discussion.

4. **Appointment to the Chair of the Audit Committee**

The Board agreed to appoint John Maclean as Chair of the Audit Committee

5. **Single Equality Scheme**

There were submitted two reports by the Chair of the Diversity and Equality Steering Group. The Board was invited to approve the Audit Scotland Single Equality Scheme and to note the Accounts Commission Single Equality Scheme which had been approved by the Accounts Commission at its November 2009 meeting. The Chair of the Diversity and Equality Steering Group explained the background to the development of both schemes. Following discussion the Board approved the Audit Scotland Single Equality Scheme and requested that the Diversity and Equality Steering Group report back on the option of taking part in the Jobcentre Plus Disability Two Ticks scheme, which had been considered as part of the best value review of recruitment and selection. The Accounts Commission Single Equality Scheme was noted.

The Board thanked the Diversity and Equality Steering Group for the work involved in creating the schemes and commended the group on the quality of the publications.

The reports will be published on Audit Scotland's website.

6. **Performance & Financial Update – Quarter 2 Report**

There was submitted a report by the Director of Corporate Services, which summarised the performance and financial monitoring information for the second quarter of this financial year, July – September 2009. The Finance Manager updated the report on the financial forecast to the end of the year.

Following discussion, it was agreed to amend the reporting of progress on performance audit studies by ...

The Board noted the contents of the report.

**7. Business Continuity Plan**

There was submitted a report by the Director of Corporate Services which presented the Board with an updated Business Continuity Plan – Version 5 for approval. The Director of Corporate Services explained that the changes that had been made during the annual review of the plan and the testing activity that had been undertaken this year.

The Board approved the Business Continuity Plan –Version 5.

**8. International Strategy**

There was submitted a report by the Director of Corporate Services, which provided an updated strategy for work with other countries. The Auditor General tabled copies of the annual report on International Work for 2008/09 and copies of the criteria for considering work with other countries was also tabled.

The Board recognised the value and range of benefits of the international work undertaken by Audit Scotland and approved the revised strategy for working with other countries.

**9. 2010 Board / Audit Committee Proposed Meeting Dates**

There was submitted a report by the Director of Corporate Services, presenting the proposed meeting dates for 2010 for the Audit Scotland Board and the Audit Committee.

It was agreed that the Director of Corporate Services would liaise with Board members to finalise the programme of meetings, with alternative dates for the February, April and August meetings.

**10. Accountable Officer's Report**

There was submitted a report by the Accountable Officer updating the Board on progress and current events at Audit Scotland since September. It also highlighted the number of engagements taken by the Accountable Officer during this period.

The Board commended Audit Scotland on the publication of the report on Scotland's Public Finances.

The Board also congratulated Caroline Gardner's appointment to the International Ethics Standards Board for Accounts which is for a three year term.

**11. SCPA Report on Audit Scotland's 2010/11 Budget**

There was submitted a report by the Director of Corporate which provides the Board with the SCPA's report on Audit Scotland's 2010-11 budget.

The Board welcomed the SCPA's approval of the budget proposals and on discussions about longer term funding of Audit Scotland's work. The report will be discussed further at the January meeting of the Board.

**12. Swine Flu Update**

The Director of Corporate Services provided an update on the impact of swine flu on Audit Scotland's business. She reported that, although sickness absence rates are higher than at this time in 2008, this is not causing any significant business disruption and so management team had not yet implemented business continuity plans for influenza pandemic.

**13. Any other business**

The Board agreed to appoint Ronnie Cleland as the contact for whistleblowing.

The Chair informed the Board of the progress being made by the Accounts Commission and HMIC on best value audits of police boards.

The Deputy Auditor General updated the Board on staffing changes and planned recruitment for a replacement Director in the new year.

**14. Date of the next meeting**

The date of the next Audit Scotland Board and Audit Committee will be:

- **Thursday, 28 January 2010 at 10.00hrs** and will be held in the Boardroom at the offices of Audit Scotland, 110 George Street, Edinburgh.