



MINUTES OF MANAGEMENT TEAM MEETINGS

2015

**AUDIT SCOTLAND MANAGEMENT TEAM
MINUTE OF MEETING HELD ON 13 JANUARY 2015
IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
Russell Frith
Fraser McKinlay
Fiona Kordiak

Apologies: Caroline Gardner

In attendance: Antony Clark joined the meeting for **item 3**
Alex Devlin joined the meeting for **item 4**
Martin Walker and Paul Reilly joined the meeting for **item 5(a)**

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| 1. | Minutes from Management Team Meeting – 9 December 2014 | | |
| | The draft minute dated 9 December 2014, was approved as an accurate record of the meeting, subject to amendment. | | |
| 2. | Communications Digest | | |
| | <p>Diane McGiffen introduced the Communications Digest report, a copy of which had been previously circulated.</p> <p>Diane invited discussion on the content of the report and Management Team noted the key highlights.</p> <p>Management Team discussed the plans for a new local government body similar to COSLA and Fraser McKinlay agreed to revert to on the formal engagements between the new local government body and the Accounts Commission and COSLA.</p> | FMcKinlay | Jan 2015 |
| 3. | Auditing Community Planning Partnerships: Review of the 2013/14 Audit Programme and Proposed Future Audit Approach | | |
| | <p>Antony Clark joined the meeting.</p> <p>Antony Clark introduced the Auditing Community Planning Partnerships: Review of the 2013/14 Audit Programme and Proposed Future Audit Approach Board report, a copy of which had been previously circulated.</p> <p>Antony invited Management Team to note the report and agree its submission to the Board at its meeting on Thursday 22 January.</p> <p>Following discussion, Management Team noted the content of the report and approved its submission to the Board.</p> <p>Antony Clark left the meeting.</p> | | |

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| 4. | Supplier Information Security Policy | | |
| | <p>Alex Devlin joined the meeting.</p> <p>Alex Devlin introduced the Supplier Information Security Policy report, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to consider and approve the policy as created to address information security for third parties engaged by Audit Scotland.</p> <p>Following discussion, Management Team approved the policy subject to testing and any issues being reported.</p> <p>Alex Devlin left the meeting.</p> | | |
| 5. | Becoming World Class | | |
| | <p>(a) Strategy for Public Audit</p> <p>Martin Walker and Paul Reilly joined the meeting.</p> <p>Diane McGiffen introduced the Strategy for Public Audit report, a copy of which had been previously discussed.</p> <p>Diane recapped on previous Management Team discussions and welcomed any further comments on the draft previously circulated.</p> <p>Management Team discussed how best to present the strategy, expanding on the four dimensions and enhancing how linking across the wider public sector, added value and provided independent assurance.</p> <p>During detailed discussion, Management Team provided further commentary and suggestions on the draft.</p> <p>Diane welcomed the input and agreed a further draft would be produced.</p> <p>Martin Walker and Paul Reilly left the meeting.</p> | DMcGiffen | Jan 2015 |
| 6. | Building a Better Organisation | | |

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| | <p>(a) Edinburgh Office Move</p> <p>Diane McGiffen and Fraser McKinlay provided a verbal update on the Edinburgh Property Move and feedback from the Focus Group on the proposed design layout and high level concepts. Members of the Focus Groups were updating colleagues in their respective teams to gain feedback to share at the next Focus Group meeting on 21 January 2015.</p> <p>Meanwhile, Management Team noted that negotiations on the lease continue and tender interviews for a Project Manager were scheduled for 30 January 2015.</p> | | |
| 7. | Securing World Class Audit | | |
| | <p>(a) Review of Funding and Fees</p> <p>Russell introduced the Review of Funding and Fees report, a copy of which had been previously circulated.</p> <p>Russell then invited Management Team to a discussion on the substance of the report before its submission to the Board at its meeting on 22 January 2015.</p> <p>Russell chaired the discussion during which Management Team provided initial commentary and feedback.</p> <p>Following discussion, Management Team agreed the report for Board should follow the same format, allowing for detailed discussion on the options being proposed.</p> <p>Russell thanked Management Team for their insight and agreed to present to the Board on the options for proposed funding and fee options, allowing consideration and discussion on the proposals.</p> | | |
| 8. | Forward Planning | | |
| | <p>(a) Review Draft Agenda for Management Team meeting, 20 January 2015</p> <p>Management Team agreed the agenda for their next meeting.</p> <p>(b) Review Draft Agenda for Board meeting, 22 January 2015</p> <p>Management Team noted the agenda for the Board meeting next week.</p> | | |

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| | <p>(c) Review 2015 Agenda Planner</p> <p>Management Team noted the agenda planner for the next three months.</p> <p>(d) Review Actions Tracker</p> <p>Management Team reviewed the current actions.</p> | | |
| 9. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Supplier Information Security Policy. - Edinburgh Property Move. | | |
| 10. | AOB | | |
| | Russell Frith advised Management Team of his meeting with Alyson Stafford and Alex Smith. | | |
| 11. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 20 January 2015.</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 20 JANUARY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fraser McKinlay
 Fiona Kordiak
 Caroline Gardner

Apologies: None

In attendance: Gillian Woolman joined the meeting for **item 2**
 David Hanlon joined the meeting for **item 3**
 John Maclean joined the meeting for **items 4 to 11**

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| 1. | Minutes from Management Team Meeting – 13 January 2015 | | |
| | The draft minute dated 13 January 2014, was approved as an accurate record of the meeting. | | |
| 2. | Hotlist of Emerging Audit Risks | | |
| | <p>Gillian Woolman joined the meeting.</p> <p>Gillian introduced the Hotlist of Emerging Audit Risks report, a copy of which had been previously circulated.</p> <p>Gillian invited Management Team to note the key risks identified and provided a summary of each new audit risk.</p> <p>Management Team discussed the report and reflected on the key risks identified. Following further discussion, Management Team agreed it would be useful to have the items on the watch list grouped under themes which would usefully flag common risks.</p> <p>Gillian Woolman left the meeting.</p> | | |
| 3. | Lothian Pension Fund – 2014 Valuation | | |
| | <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the Lothian Pension Fund – 2014 Valuation report, a copy of which had been previously circulated.</p> <p>David invited Management Team to note the results of the valuation of Lothian Pension Fund and consider the employer contributions options proposed by Lothian Pension Fund. Management Team discussed the proposed options and impact these would have in terms of funding.</p> | | |

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| | <p>Following detailed discussion, Management Team approved the adoption of the proposed contribution stability mechanism for the next three years.</p> <p>Diane McGiffen advised this matter would be discussed at the meeting of Remco on 27 February.</p> <p>David Hanlon left the meeting.</p> | DHanlon | Feb 2015 |
| | <p>Becoming World Class</p> <p>John Maclean joined the meeting.</p> | | |
| 4. | Strategy for Public Audit | | |
| | Diane McGiffen provided an update on the Strategy for Public Audit. | | |
| 5. | Building a Better Organisation | | |
| | Fiona Kordiak provided an update on the Building a Better Organisation workstream. | | |
| 6. | Securing World Class Audit | | |
| | Russell Frith provided an update on the work in relation to Securing World Class Audit and advised there was a presentation and discussion with the Board on potential funding and fee options. | | |
| 7. | Making a Difference | | |
| | Fraser McKinlay provided an update on Making a Difference and the initiatives and development opportunities this work had created. | | |
| 8. | Forward Planning | | |
| | <p>(a) Review Draft Agenda for Management Team meeting, 27 January 2015</p> <p>Management Team agreed the agenda for their next meeting.</p> <p>(b) Review Draft Agenda for Remco meeting, 27 February 2015</p> <p>Management Team noted the agenda for the Remco meeting on 27 February 2015.</p> <p>(c) Review Draft Agenda for Audit Committee meeting, 27 February 2015</p> <p>Management Team noted the proposed agenda for the Audit Committee meeting on 27 February 2015.</p> | | |

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| 9. | Key messages to colleagues | | |
| | Becoming world class and the continuing work by those involved which had created some interesting development opportunities. | | |
| 10. | AOB | | |
| | There was no further business. | | |
| 11. | Date of next meeting | | |
| | The next Management Team meeting will be held on: Tuesday 27 January 2015. <i>Please give your apologies to Joy Webber (x1606)</i> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 27 JANUARY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fiona Kordiak

Apologies: Caroline Gardner
 Fraser McKinlay

In attendance: Antony Clark and Mark Roberts joined the meeting for *item 4*

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| 1. | Minutes from Management Team Meeting – 20 January 2015 | | |
| | The draft minute dated 20 January 2014, was approved as an accurate record of the meeting, subject to a minor correction. | | |
| 2. | Independent Financial Scrutiny Events for MSPs | | |
| | <p>Diane McGiffen introduced the discussion paper for the proposed Independent Financial Scrutiny Events to be co-hosted with Colin Beattie and Paul Martin in the Scottish Parliament, a copy of which had been previously circulated.</p> <p>Diane invited Management Team to note the first event was proposed to be held in May and welcomed comments on the proposed formats for the event.</p> <p>Management Team discussed the options proposed and agreed a version of the recommended format should be developed.</p> | | |
| 3. | Draft Accounts Commission Agenda 12/02/2015 | | |
| | <p>Diane introduced the Draft Accounts Commission Agenda 12/02/2015 report, a copy of which had been previously circulated.</p> <p>Diane invited Management Team to note a copy of a revised agenda would be circulated to reflect the Chair of the Accounts Commission's request for updates on the Edinburgh Office Reprovision, Best Companies Survey and the Corporate Plan at the meeting on 12 February 2015.</p> <p>Management Team welcomed the update.</p> | JWebber | Jan 2015 |
| | Becoming World Class | | |
| 4. | Making a Difference | | |
| | (a) Audit Scotland's Climate Change and Adaption Plan (2015-20) – Scope and Ambition Discussion | | |

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| | <p>Antony Clark and Mark Roberts joined the meeting.</p> <p>Antony Clark introduced the discussion on Audit Scotland's Climate Change and Adaption Plan, highlighting the increasing awareness in the public sector of climate change and the cross party support for 2020 targets.</p> <p>While recognising the good progress made with Audit Scotland's current Carbon Management Plan, Antony invited Management Team to note the analysis of our strengths, the opportunities for improvement and how we can overcome the obstacles identified, a copy of which was tabled.</p> <p>In addition, Antony tabled a paper detailing emission sources within Climate Change Plan boundaries and invited Management Team to consider whether any elements currently outwith the boundary should now be included.</p> <p>Management Team discussed areas for development included raising awareness, reviewing travel, re-using equipment, increased recycling and improving onsite communications.</p> <p>Management Team also discussed the possibility of including this as a measure as part of audit appointments and if it would be possible to include it in the current procurement round.</p> <p>Following discussion, Management Team welcomed the opportunity to discuss proposals for the new plan and agreed this would come to an early Leadership Group meeting.</p> <p>Antony Clark and Mark Roberts left the meeting.</p> | | |
| 5. | Forward Planning | | |
| | <p>(a) Review Draft Agenda for Management Team meeting, 3 February 2015</p> <p>Management Team discussed and agreed additional items for their meeting on 3 February 2015.</p> <p>(b) Review Draft Agenda for Board meeting, 27 February 2015</p> <p>Management Team noted the agenda for the Board meeting on 27 February 2015, a further update of which would be circulated.</p> | JWebber | Jan 2015 |
| 6. | Key messages to colleagues | | |

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| | Climate Change | | |
| 7. | AOB | | |
| | <p>Russell Frith provided advised Management Team of the Board discussion in relation to the Funding and Fees Report. The Board had agreed two models of funding should be developed for further consideration at its meeting on 26 March 2015. Russell agreed to consider the timing of Management Team engagement in advance of the Board discussion. Management Team noted this was on the agenda with Leadership Group on 28 January 2015.</p> <p>Diane McGiffen provided a brief update on the New Edinburgh Office and advised there would be a fuller update at next week's meeting.</p> | <p>RFrith</p> <p>DMcGiffen</p> | <p>Jan 2015</p> <p>Jan 2015</p> |
| 8. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 3 February 2015.</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 3 FEBRUARY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fiona Kordiak
 Caroline Gardner
 Fraser McKinlay

Apologies: None

In attendance: James Gillies *items 2 & 10*
 David Hanlon *items 3, 4 & 5*
 Martin Walker *items 5, 6, 7, 8 and 9a*
 Ian Metcalfe *item 5*
 Alex Devlin *item 8*
 David Blattman *items 9b and 9c*
 Douglas Black *item 9b*
 Rachel Parker *item 9c*
 Claire Sweeney and Antony Clark *item 10*

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| 1. | Minutes from Management Team Meeting – 27 January 2015 | | |
| | The draft minute dated 27 January 2015, was approved as an accurate record of the meeting. | | |
| 2. | Communications Digest | | |
| | <p>James Gillies joined the meeting.</p> <p>James Gillies introduced the Communications Digest report, a copy of which had been previously circulated.</p> <p>James invited Management Team to note the volume of reports due to be published and highlighted the forthcoming moratorium from the beginning of April.</p> <p>Management Team noted the reports due to be published and Fraser provided an overview of the current progress.</p> <p>James Gillies left the meeting.</p> | | |
| 3. | 2016/17 Budget Process and Timetable | | |
| | <p>David Hanlon joined the meeting.</p> <p>David introduced the 2016/17 Budget Process and Timetable report, a copy of which had been previously circulated.</p> <p>David invited Management Team to approve the proposed process and draft timetable prior to its submission to the Board and Audit Committee meetings on 27 February 2015.</p> | | |

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| | Following discussion, Management Team approved the proposed process and draft timetable. | | |
| 4. | Q3 Financial Results 2014/15 | | |
| | <p>David Hanlon introduced the Q3 Financial Results 2014/15 report, a copy of which had been previously circulated.</p> <p>David invited Management Team to consider the financial results to end December 2014 and approve the report for submission to the Board and Audit Committee.</p> <p>Management Team discussed the current level of underspend and the projected level at the year end. It was recognised that delays to projects commencing had increased the level of underspend and agreed there was opportunity to bring forward other known project costs.</p> <p>Management Team considered the budgets for each business group and acknowledged both the levels of overspend in relation to training, ICT and staffing and the reduction of spend in relation to travel.</p> <p>Following detailed discussion, Management Team approved the submission of the results to the Board and Audit Committee.</p> | | |
| 5. | Q3 Performance Report 2014/15 | | |
| | <p>Martin Walker and Ian Metcalfe joined the meeting.</p> <p>Martin provided a brief introduction to the Q3 Performance Report 2014/15 report, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to consider whether additional management attention was required on any area reported before approving the report for submission to the Board.</p> <p>Management Team discussed the overall performance assessment and noted 7 of the 9 corporate objectives are assessed as green, 2 objectives are amber and none of the objectives are assessed as being red. Management Team also noted the improved assessments in relation to Impact and the Best Company survey results.</p> <p>Following detailed discussion, Management Team noted the review being undertaken by the Performance and Risk Management Group to develop a plan to support further improvement of our current performance management arrangements and how best to align their work with that of the Impact Group.</p> <p>Management Team considered each objective and discussed what actions could be taken to improve performance. With</p> | | |

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| | <p>regard to slippage in reporting, Management Team discussed the need to learn from the current process and consider joining up reporting across PABV and ASG.</p> <p>In considering the objective around the quality and impact of our work, Russell agreed to provide an update to Management Team on the scorecards.</p> <p>With regard to objective 3.2, Management Team agreed that a strategic review of how we develop and strengthens skills across the organisation would be considered with the Leadership Group during the next quarter.</p> <p>Management Team discussed in detail how we empower and support colleagues, recognising that while the Best Companies results showed progress had been made, there was scope to improve further. Management Team would work with the Diversity Steering Group to develop a framework for improvement.</p> <p>Management Team welcomed the report and, subject to amendment, approved its submission to the Board.</p> <p>Ian Metcalfe and David Hanlon left the meeting.</p> | <p>RFrith</p> <p>DMcGiffen/ MWalker</p> <p>MTaylor</p> | <p>Mar 2015</p> <p>May 2015</p> <p>May 2015</p> |
| 6. | Review of Risk Register | | |
| | <p>Martin Walker introduced the Review of Risk Register report, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to review and comment on the revised register and approve its submission to the Board.</p> <p>Management Team noted there was no overall change to the risk level and discussed the expansion of actions, proposed owners and timescales for each risk.</p> <p>Following detailed discussion, Management Team agreed the inclusion of additional information and approved its submission to the Board.</p> | | |
| 7. | Risk Interrogation - VFM | | |
| | <p>Martin Walker introduced the Risk Interrogation - VFM report, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to comment on the risk interrogation and, subject to any amendments, approve its submission to the Audit Committee.</p> <p>Following detailed discussion, Management Team provided input to the report and approved its submission to the Audit Committee. Management Team agreed action owners would attend the Audit Committee meeting on 27 February 2015.</p> | <p>ALL</p> | <p>Feb 2015</p> |

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| 8. | Internal Audit 2014/15 | | |
| | <p>Alex Devlin joined the meeting.</p> <p>Alex Devlin introduced the Internal Audit 2014/15 report, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the outcomes from the 2014/15 internal audit programme of work undertaken by tiaa, and approve its submission to the Audit Committee.</p> <p>Following discussion, Management Team provided general comments on the report and approved its submission to the Audit Committee.</p> <p>Alex Devlin left the meeting.</p> | | |
| | Becoming World Class | | |
| 9. | Building a Better Organisation | | |
| | <p>(a) Managing our Improvement Programme</p> <p>Martin Walker introduced the Managing our Improvement Programme report, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to consider and approve the proposed approach for governance and management of the improvement programme, review and comment on the programme content and approve the draft scope guidance and its further development.</p> <p>Management Team discussed the benefit of refining and bringing together our approach to projects under one governance framework to reduce bureaucracy and drain on resources. The benefit of a quarterly report by the project lead would also provide assurance and the opportunity to challenge performance.</p> <p>Following discussion, Management Team approve the approach around governance and management of the improvement programme.</p> <p>Martin Walker left the meeting.</p> | | |
| | <p>(b) New Terms of Reference for Audit Scotland's Health & Safety Committee</p> <p>David Blattman, Douglas Black and Rachel Parker joined the meeting.</p> <p>David Blattman briefly introduced the New Terms of Reference for Audit Scotland's Health & Safety Committee report, a copy of which had been</p> | | |

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| | <p>previously circulated.</p> <p>Douglas Black then invited Management Team to comment on the report and the proposal to expand the Committee's remit to include a greater focus on wellbeing.</p> <p>Management Team discussed how the increased remit and focus would benefit the health, safety and wellbeing of staff and approved the new Terms of Reference to enable the Health, Safety and Wellbeing Committee to continue its work into 2015/16.</p> <p>In terms of membership of the Committee, Management Team agreed it would be beneficial to build in additional representation from PABV and ASG.</p> <p>Management Team welcomed the report.</p> <p>Douglas Black left the meeting.</p> | | |
| | <p>(c) Attracting, Selection and Recruiting World Class People in a Digital World</p> <p>David Blattman and Rachel Parker introduced the Attracting, Selection and Recruiting World Class People in a Digital World report, a copy of which had been previously circulated.</p> <p>David invited Management Team to consider and comment on the future recruitment strategy presented and approve the HR & OD Manager to develop existing HR policies in support of simplifying our approach to selection processes.</p> <p>Following detailed discussion, Management Team recognised the benefits of modernising our approach to recruitment, selection and retention of people and welcomed a further discussion on proposals for policy change once these were available.</p> <p>David Blattman and Rachel Parker left the meeting.</p> | DBlattman | May 2015 |
| 10. | Securing World Class Audit | | |
| | <p>(a) Health and Social Care Integration Update</p> <p>Antony Clark and Claire Sweeney joined the meeting.</p> <p>Antony Clark introduced the Health and Social Care Integration Update report, a copy of which had been previously circulated.</p> | | |

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| | <p>Antony invited Management Team to consider and comment on the proposals to carry out a joint piece of work with the Care Inspectorate and Healthcare Improvement Scotland which would be reviewed after the arrangements have been in place for one year.</p> <p>Following detailed discussion, Management Team agreed with the overall approach to the Health and Social Care Integration.</p> <p>Antony Clark and Claire Sweeney left the meeting.</p> | | |
| 11. | Making a Difference | | |
| | <p>(a) New Edinburgh Office</p> <p>David Hanlon joined the meeting.</p> <p>David advised Management Team that Thomson Gray had been appointed as Project Managers for the New Edinburgh Office. With regard to the lease, negotiations were still ongoing but we hoped to be able to advise colleagues of the new location later this week.</p> <p>Diane provided Management Team with an update from the latest Steering Group meeting.</p> <p>David Hanlon left the meeting.</p> | | |
| 12. | Forward planning | | |
| | <p>(a) Review Draft Agenda for Management Team meeting 10 February 2015</p> <p>Management Team agreed the agenda for their next meeting.</p> | | |
| 13. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Q3 Financial Results - Q3 Performance Results - New Edinburgh Office | | |
| 14. | AOB | | |
| | There was no other business. | | |
| 15. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 10 February 2015.</p> <p>Apologies: None <i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 10 FEBRUARY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fiona Kordiak
 Caroline Gardner
 Fraser McKinlay

Apologies: None

In attendance: Angela Canning *items 2 & 10*
 David Hanlon *items 3, 4 & 5*
 Alex Devlin *item 6*
 David Blattman and Cindy Cunningham *item 5*
 David Henning and Philippa Salvesen *items 6 & 7*
 John Gilchrist and Fiona Mitchell-Knight *item 9*
 Kirsty Whyte, Sarah Pollock, Dorothy Lavery *item 10*
 Nicola Constable joined to minute the meeting

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| 1. | Minutes from Management Team Meeting – 3 February 2015 | | |
| | The draft minute dated 3 February 2015, would be considered at the next meeting of Management Team. | JWebber | Feb 2015 |
| 2. | Hotlist of Emerging Audit Risks | | |
| | <p>Angela Canning joined the meeting.</p> <p>Angela introduced the Hotlist of Emerging Audit Risks report, a copy of which had been previously circulated.</p> <p>Angela invited Management Team to note the two new items and a previous item had been re-introduced due to level of correspondence received.</p> <p>Management Team discussed the report and reflected on the key risks identified. Following further discussion, Management Team agreed to consider again the possibility of a S102 report.</p> <p>Angela Canning left the meeting.</p> | FMcKinlay | Feb 2015 |
| 3. | 2014/15 Year End Statutory Accounts Timetable | | |
| | <p>David Hanlon joined the meeting.</p> <p>David introduced the 2014/15 Year End Statutory Accounts Timetable Report, a copy of which had been previously circulated.</p> <p>David invited Management Team to approve the timetable for submission to the Audit Committee meeting on 27 February</p> | | |

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| | 2015. Management Team approved the timetable. | | |
| 4. | Company Credit Cards | | |
| | <p>David Hanlon introduced the Company Credit Cards Report, a copy of which had been previously circulated.</p> <p>David invited Management Team to consider and approve the report for submission to the Audit Committee.</p> <p>Management Team discussed the report and the need to provide substantial assurance around our governance arrangements for company credit cards.</p> <p>Following discussion, Management Team agreed additional information in relation to categories of spend and details of the last internal audit report should also be included.</p> | DHanlon | Feb 2015 |
| 5. | Value for Money - Agency and Seconded Staff | | |
| | <p>David Blattman and Cindy Cunningham joined the meeting.</p> <p>David provided a brief introduction to the paper, a copy of which had been previously circulated.</p> <p>David invited Management Team to discuss the report and welcomed any comments.</p> <p>Management Team discussed the funding of agency staff and requested the report provided clarification on the level of agency staff employed. Following further discussion, Management Team agreed the report should reflect the positive level of establishment achieved as well as the variety of internal and external secondment opportunities we have been able to offer colleagues.</p> <p>David welcomed the feedback and would update the report to reflect discussions prior to its issue to the Audit Committee.</p> <p>David Hanlon, David Blattman and Cindy Cunningham left the meeting.</p> | DBlattman | Feb 2015 |
| 6. | Freedom of Information Publication Scheme 2015-19 | | |
| | <p>Alex Devlin and David Henning joined the meeting.</p> <p>Alex introduced the Freedom of Information Publication Scheme 2015-19 report, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note and approve the proposal to have our Freedom of Information publication</p> | | |

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| | <p>scheme re-approved by the Scottish Information Commissioner (SIC) for the period 31 May 2015 – 2019.</p> <p>Management Team discussed the information we currently publish and what other outputs would be included. Management Team agreed we should comply with the good practice of SIC and therefore follow the SIC publications as a minimum.</p> <p>In relation to resourcing, Management Team noted this could go through the Information Asset Owners.</p> <p>Following detailed discussion Management Team approved the Scheme in principle. Management Team agreed Alex would revert once he had information of possible cost implications and a proposed timetable for engaging with the Board and Accounts Commission.</p> <p>Alex Devlin left the meeting.</p> | ADevlin | Mar 2015 |
| 7. | Information Security Statement | | |
| | <p>Philippa Salvesen joined the meeting.</p> <p>David Henning and Philippa Salvesen provided a brief introduction to the Information Security Statement report, a copy of which had been previously circulated.</p> <p>Management Team discussed the delivery, costs and resource involved in the ISO27001:2013 standard. David confirmed the cost had been budgeted for already and that the final audit will be completed when we move to the new Edinburgh Office as ISO is place specific.</p> <p>Following discussion, Management Team agreed the wording of the statement required to be updated.</p> <p>Management Team invited an update on progress in the next 3 to 4 months.</p> <p>David Henning and Philippa Salvesen left the meeting.</p> | PSalvesen PSalvesen | Feb 2015 Jun 2015 |
| 8. | Accounts Commission Committees Agenda 26/02/2015 | | |
| | <p>Diane introduced the Accounts Commission Draft Agenda, a copy of which had been previously circulated.</p> <p>Following discussion, Management Team noted the agenda.</p> | | |
| | Becoming World Class | | |
| 9. | Securing World Class Audit | | |
| | <p>(a) NHS Survey</p> <p>John Gilchrist and Fiona Mitchell-Knight joined</p> | | |

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| | <p>the meeting.</p> <p>Russell provided a brief introduction to the paper and the results of the survey, a copy of which had been previously circulated.</p> <p>John provided a more detailed update in relation to responses and responders. As the information owner for PABV, the responses had been shared with Claire Sweeney and Fraser would liaise with her on any steps to be taken.</p> <p>Fiona Mitchell-Knight also provided an update into the relationship with NSS, their response and what improvements they have agreed to put in place.</p> <p>Following detailed discussion, Management Team identified further questions in relation to overall strategy.</p> <p>Management Team welcomed the report which provided a wider picture of the important systematic issues.</p> <p>John Gilchrist and Fiona Mitchell-Knight left the meeting.</p> | <p>FMcKinlay</p> | <p>Feb 2015</p> |
| <p>10.</p> | <p>Making a Difference</p> | | |
| | <p>(a) 2014 Annual Correspondence Report and Correspondence Development Project</p> <p>Angela Canning, Kirsty Whyte, Sarah Pollock and Dorothy Lavery joined the meeting.</p> <p>Angela provided a brief introduction on the two reports, copies of which had been previously circulated.</p> <p>Angela invited Management Team to consider and comment on the Annual Report in advance of this being finalised and issued.</p> <p>Following detailed discussion, Management Team recognised the improvements which had been made to reporting and discussed the merit in having the ability to analyse the information being reported eg themes, costs etc.</p> <p>Management Team provided feedback on the tone of the Annual Report and queried the robustness of previous figures reported.</p> <p>Management Team then considered the Development Project paper in relation to the costs, the full correspondence structure and process and</p> | | |

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| | <p>resourcing.</p> <p>Management Team agreed they would like to see further alternative models on capacity, resourcing and location of the correspondence process.</p> <p>Angela Canning, Kirsty Whyte, Sarah Pollock and Dorothy Lavery left the meeting.</p> | A Canning | ? 2015 |
| 11. | Building a Better Organisation | | |
| | <p>(a) Edinburgh Property Update</p> <p>Diane advised that the Project Managers had been appointed and anticipated progress will be made quickly into the design stage and programme of works. Diane would provide a further update at the next Management Team meeting.</p> | DMcGiffen | Feb 2015 |
| 12. | Forward planning | | |
| | <p>(a) Review Draft Agenda for Management Team meeting, 24 February 2015</p> <p>Management Team agreed the agenda for their next meeting.</p> | | |
| 13. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Freedom of Information Publication Scheme 2015-19 - Edinburgh Property Update | | |
| 14. | AOB | | |
| | <p>Russell Frith discussed with Management Team the two calls of evidence Audit Scotland have been asked to make submissions to.</p> <p>Management Team agreed they were happy for Russell to take forward and respond.</p> | RFrith | Mar 2015 |
| 15. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 24 February 2015.</p> <p>Apologies: Fraser McKinlay</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 24 FEBRUARY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fiona Kordiak
 Caroline Gardner
 Fraser McKinlay
 Joy Webber (Minutes)

Apologies: None

In attendance: Alex Devlin *item 3*
 Mary Muir *item 7*

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| 1. | Minutes | | |
| | The draft minutes dated 3 and 10 February 2015, were approved as accurate records of the respective meetings. | | |
| 2. | Corporate Plan 2015-18 Update | | |
| | Diane introduced the Corporate Plan 2015-18 Update Report, a copy of which had been previously circulated. Management Team noted there would be an update to the Board at its meeting on 27 February and prior to that Martin Walker would issue a draft of the updated plan. | MWalker | Feb 2015 |
| 3. | Complaints Update 2014/15 | | |
| | Alex Devlin joined the meeting. Alex introduced the Complaints Updated 2014/15 report, which had been previously circulated. Alex invited Management Team to note the number of complaints received to date and the review undertaken with the correspondence to identify improvements required to the administration and management of the correspondence process. Management Team welcomed the update and agreed Alex would capture some examples of complaints to share with the Board and also with business groups as part of discussions to inform colleagues of the complaints process. Alex Devlin left the meeting. | ADevlin | Feb 2015 |
| 4. | Accounts Commission Agenda 12/03/2015 | | |
| | Fraser McKinlay introduced the agenda for the Accounts Commission meeting on 12 March 2015. | | |

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| | Following discussion, Management Team agreed the agenda. | | |
| Becoming World Class | | | |
| 5. | Securing World Class | | |
| | <p>(a) Fees and Funding Options</p> <p>Russell Frith introduced the Review of Funding and Fees – Sector Costs report, a copy of which had been circulated previously.</p> <p>Russell then tabled a paper on Audit Scotland's Financial Models to aid discussion on the proposed cost allocation assumptions to be used in evaluating our funding to ensure compliance with our statutory duty.</p> <p>Following discussion, Management Team noted the financial models as set out.</p> <p>Russell then invited Management Team to discuss the underlying assumptions for sector costs using revised assumptions.</p> <p>During detailed discussion, Management Team provided feedback on the proposed allocation of funding for each cost centre and the split where this might change.</p> <p>Management Team agreed importance of reviewing the assumptions to ensure these are fit for purpose and to provide the Board, at its meeting in March, with options on funding.</p> <p>Given the complexities to be considered by the Board, Russell agreed that he, Fraser and Fiona would arrange to meet with those Board members who wished more detail around the proposals.</p> | RFrith | Mar 2015 |
| 6. | Building a Better Organisation | | |
| | <p>(a) Update on Workstream</p> <p>Fiona tabled the proposed work plan for 'How we work together' and invited Management Team to note the first phase business group sessions to be hosted by MCR had been scheduled to take place over the following two weeks.</p> <p>Following discussion, Management Team welcomed the opportunity to join their respective business group sessions and noted the timeline for the project.</p> | | |

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| 7. | Building a Better Organisation | | |
| | <p>(a) Edinburgh Property Update</p> <p>Mary Muir joined the meeting.</p> <p>Diane tabled a draft plan to Management Team and welcomed comments on the updated proposals.</p> <p>Following discussion, Management Team welcomed the opportunity to comment on the plan and noted the update in relation to the fit out, particularly the research and survey being undertaken to assess wireless capability.</p> <p>Mary Muir then provided an update on the lease and forthcoming procurement discussions.</p> <p>Diane agreed to feed back comments and observations to haa design and would revert to Management Team next week with any further updates.</p> <p>Mary Muir left the meeting.</p> | DMcGiffen | Mar 2015 |
| 8. | Making a Difference | | |
| | <p>(a) ASG Review of Impact: Local Government</p> <p>Fiona Kordiak introduced the ASG Review of Impact: Local Government report, a copy of which had been previously circulated.</p> <p>Fiona invited Management Team to note the report and its findings.</p> <p>Management Team welcomed the report and noted the proposed dimensions for impact reports going forward under the leadership of Martin Walker.</p> | | |
| 9. | Forward Planning | | |
| | <p>(a) Review Draft Agenda for Management Team meeting, 3 March 2015</p> <p>Management Team agreed the agenda for their next meeting.</p> | | |
| 10. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Complaints/Correspondence - ASG Impact Report | | |
| 11. | AOB | | |

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| | Diane McGiffen tabled the agenda for each of the Audit Committee, Remco and Board meetings being held this Friday, 27 February 2014 at 18 George Street. | | |
| 12. | Date of next meeting | | |
| | The next Management Team meeting will be held on: Tuesday 3 March 2015. Apologies: None <i>Please give your apologies to Joy Webber (x1606)</i> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
MINUTE OF MEETING HELD ON 3 MARCH 2015
IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
Russell Frith
Fiona Kordiak
Caroline Gardner
Fraser McKinlay
Joy Webber (Minutes)

Apologies: None

In attendance: James Gillies, Angela Canning and Fiona Mitchell-Knight *items 3 and 4*
Martin Walker *item 5*

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| 1. | Minutes | | |
| | The draft minutes dated 24 February 2015, were approved as accurate records subject to minor amendment. | | |
| 2. | Communications Digest | | |
| | <p>James Gillies, Angela Canning and Fiona Mitchell-Knight joined the meeting.</p> <p>James Gillies introduced the Communications Digest, a copy of which had been previously circulated.</p> <p>James provided feedback on the reports issued last week, Prestwick Airport and Broadband infrastructure and provided a summary of forthcoming publications.</p> <p>In relation to the report on Developing Financial Reporting scheduled for 19 March, Fraser and James agreed to discuss the proposed media release.</p> <p>Following discussion, Management Team welcomed the report.</p> | FMcKinlay/ JGillies | Mar 2015 |
| 3. | Hotlist of Emerging Audit Risks | | |
| | <p>Angela Canning introduced the Hotlist of Emerging Audit Risks report, which had been previously circulated.</p> <p>Angela invited Management Team to note the addition of one new risk reported.</p> <p>Following discussion, Management Team agreed one additional risk to be included and monitored.</p> <p>In relation to correspondence received, Management Team agreed Fraser would prepare an interim which would include a summary of work completed to date, work currently underway and a route map to show when findings would be</p> | FMcKinlay/ RFrith | Mar 2015 |

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| | <p>reported. Russell agreed to review the update.</p> <p>Management Team welcomed the update.</p> <p>James Gillies, Angela Canning and Fiona Mitchell-Knight left the meeting.</p> | | |
| 4. | Confidential Item | | |
| | Subject to a separate Confidential Minute. | | |
| Becoming World Class | | | |
| 5. | Making a Difference | | |
| | <p>(a) Draft Corporate Plan 2015-18</p> <p>Martin Walker joined the meeting.</p> <p>Martin Walker introduced the Draft Corporate Plan 2015-17, a copy of which had been circulated previously.</p> <p>Martin invited Management Team to review and comment on the draft prior to its consideration by the Accounts Commission on 12 March, and its submission to the Board for approval at its meeting on 26 March 2015.</p> <p>During discussion, Management Team noted its use as a gateway document and to provide additional clarity agreed that links to performance indicators, the four audit dimensions and the Code of Practice should also be included.</p> <p>Following detailed discussion, Management Team approved an updated version of the draft be shared with the Accounts Commission and then the Board at their respective meetings in March.</p> <p>Martin Walker left the meeting.</p> | MWalker | Mar 2015 |
| 6. | Building a Better Organisation | | |
| | <p>(a) Edinburgh Property Update</p> <p>Diane McGiffen tabled an updated plan of the proposed management team area and invited feedback. Management Team considered the plan and agreed the proposed layout of the area.</p> | | |
| 7. | Forward Planning | | |
| | (a) Review Draft Agenda for Management Team meeting, 17 March 2015 | | |

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| | <p>Management Team agreed the agenda for their next meeting.</p> <p>(b) Review Action Tracker</p> <p>Management Team noted the current status of actions.</p> <p>(c) Review of Agenda Planner</p> <p>Management Team reviewed the proposed items on the agenda planner and Russell agreed to plan in the timeline for Securing the Audit.</p> | RFrith | Mar 2015 |
| 8. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Communications Digest - Draft Corporate Plan | | |
| 9. | AOB | | |
| | There was no further business. | | |
| 10. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 17 March 2015.</p> <p>Apologies: None</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 17 MARCH 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fiona Kordiak
 Caroline Gardner
 Fraser McKinlay
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *items 2, 3 and 4*
 James Gillies *items 2 and 5*
 David Blattman *item 2 and 4*
 Jennifer Summers *item 4*
 Martin Walker *item 5*
 Mark Taylor *Item 7*

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| 1. | Minutes | | |
| | <p>The draft minute dated 3 March 2015, was approved as an accurate record of the meeting, subject to minor amendment.</p> <p>A more detailed confidential minute for item 4 would follow.</p> | JWebber | Mar 2015 |
| 2. | <p>(a) 2015/16 Operational Budget and Establishment Review</p> <p>David Hanlon, David Blattman and James Gillies joined the meeting.</p> <p>David introduced the 2015/16 Operational Budget and Establishment Review report, a copy of which had been previously circulated.</p> <p>David invited Management Team to review and agree the proposed operational budget and revised level of establishment for 2015/16 in advance of submitting the proposal to the Board for approval. Management Team were also invited to review and agree the propose workforce number to prepare staff cost projections for 2016/17 to 2018/19.</p> <p>Management Team discussed the need to ensure there was specialist skills built into establishment to include development work, data skills, design graphics etc. Fraser McKinlay agreed to review the proposed recruitment position for PABV to December 2016 in order to confirm funding required.</p> <p>Management Team also considered the main assumptions for the 2016/17 budget which related largely to staff costs, pension and the training</p> | F McKinlay | Mar 2015 |

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| | <p>scheme. Management Team noted the current level of vacancies and David Blattman agreed to link in with ASG and PABV to develop and communicate the planning of recruitment throughout the year together with the balance of grade, skills and experience required to bring teams up to establishment.</p> <p>Following detailed discussion, Management Team approved the proposed 2015/16 Operational Budget and workforce establishment for submission to the Board.</p> | D Blattman | Mar 2015 |
| | <p>(b) Wed Redevelopment</p> <p>James Gillies joined the meeting.</p> <p>James Gillies introduced the Web Redevelopment report, a copy of which had been previously circulated.</p> <p>James invited Management Team to note the update on the redevelopment of Audit Scotland's new website.</p> <p>Management Team noted the reasons for the delay to the project and recognised the cost would require to be met from the 2015/16 budget. Management Team welcomed the new tender process to appoint a project manager was now being fast tracked.</p> <p>Management Team agreed the funding arrangements for the project from the 2015/16 budget.</p> <p>Diane McGiffen requested a briefing from the new procurement officer which James agreed to organise.</p> <p>James Gillies left the meeting.</p> | J Gillies | Mar 2015 |
| 3. | Car Lease Tender | | |
| | <p>David Hanlon introduced the Car Lease Tender report, which had been previously circulated.</p> <p>David invited Management Team to note the procurement and selection process undertaken to ascertain a preferred supplier for the provision of cars for an initial three years with the added provision to extend the contract for a further three years. Management Team were also invited to agree submission of a paper to the Board seeking formal approval to appoint the preferred supplier.</p> <p>Following discussion, Management Team welcomed the proposal, together with the proposal to discuss additional administrative services to be provided by the supplier, and agreed the proposal be submitted to the Board for its formal approval.</p> | | |

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| 4. | Changes to Family Friendly Policy | | |
| | <p>Jennifer Summers joined the meeting.</p> <p>David Blattman introduced the report on Changes to Family Friendly Policy, a copy of which had been previously circulated.</p> <p>David invited Management Team to consider and agree the level of shared parental pay, taking account of market benchmarking and guidance, to be recommended to Remco at its meeting on 26 March 2015.</p> <p>Following discussion, Management Team noted the other changes required to policy following the introduction of Shared Parental Leave from 5 April 2015.</p> <p>Management Team welcomed the benchmarking information in considering the costs for each of the options proposed. Following detailed discussion, Management Team agreed the level of Shared Parental Leave pay to be recommended to Remco.</p> <p>David Blattman left the meeting.</p> | | |
| Becoming World Class | | | |
| 5. | Making a Difference | | |
| | <p>(a) Public Audit in Scotland</p> <p>Martin Walker and James Gillies joined the meeting.</p> <p>Diane McGiffen provided an update from the discussion at the meeting of the Accounts Commission on 12 March 2015 and advised Paul Reilly would reflect their comments in the final draft before issue.</p> <p>Management Team welcomed the update.</p> <p>(b) Draft Corporate Plan 2015-18</p> <p>Martin Walker introduced the Draft Corporate Plan 2015-17, a copy of which had been circulated previously.</p> <p>Martin provided an update from the discussion at the meeting of the Accounts Commission on 12 March 2015, and welcomed any further comments from Management Team before consideration by the Board at its meeting on 26 March 2015.</p> <p>Management Team welcomed the update and provided a few minor suggestions around Becoming</p> | | |

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| | <p>World Class, the resource diagram and consistency of format agreed its submission to the Board.</p> <p>(c) Audit Scotland Annual Report and Accounts 2014/15</p> <p>James Gillies introduced the report on Audit Scotland Annual Report and Accounts 2014/15, which had been previously circulated.</p> <p>James invited Management Team to note the proposed approach to the publication of our annual report for 2014/15 to include an interactive web based front to the report, designed to draw attention to the key themes and highlights from the year.</p> <p>During discussion, Management Team noted the Annual Report and Accounts would be available via Audit Scotland's website and James agreed internal communication would be alongside that for the Corporate Plan and he would work with Martin Walker to link that together with the Q4 performance reporting. In terms of best practice input, James would liaise with Paul O'Brien in Audit Strategy.</p> <p>Following discussion, Management Team welcomed the update.</p> <p>Martin Walker and James Gillies left the meeting.</p> | | |
| 6. | Securing World Class Audit | | |
| | <p>(a) Fees and Funding Options</p> <p>Russell Frith introduced the Review of Funding and Fees report, and accompanying draft Board papers, copies of which had been previously circulated.</p> <p>Russell invited Management Team to consider the draft Board reports on the options for changes to our funding and fees arrangements and the report on the balance between fees and costs in each sector. Both reports had been prepared in light of feedback from discussion with the Board and the Accounts Commission.</p> <p>Taking the report on Fees and Costs, Russell invited any comments or feedback.</p> <p>During detailed discussion, Management Team suggested providing more detail to the background of historical smoothing arrangements, clarifying the percentage terms for the numbers being reported and include the impact of other business ie reduction of audit fees, restructuring, VERA etc. In addition, Management Team agreed the inclusion of a forward</p> | | |

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| | <p>look to compare the proposed fee assumptions to existing assumptions..</p> <p>Turning to the Funding and Fee Arrangements Options for Change report, Russell invited Management to consider the draft Board report and provide any comments.</p> <p>During detailed discussion, Management Team welcomed the transparency that both options provided on the proposed funding and fee arrangements and provide feedback and added context to the report.</p> <p>Management Team welcomed the discussion and, subject to amendment, approved the submission of the reports for the Board's consideration.</p> | | |
| 7. | Building a Better Organisation | | |
| | <p>(a) Equality and Diversity Report</p> <p>Mark Taylor joined the meeting.</p> <p>Mark Taylor introduced the Equality Outcomes and Mainstreaming Report, which had been previously circulated.</p> <p>Mark invited Management Team to agree the overall proposed approach set out in the report, consider the report and offer any comments or observations prior to submission for the Board's approval and note the report was due to be published by 31 March 2015.</p> <p>Management Team considered the progress made on processes and recognised the work to adopt best practice. Management Team recognised the amount of work the Diversity & Equality Group had done in the last two years and welcomed the forthcoming work programme.</p> <p>Following detailed discussion, Management Team welcomed the proposal to combine the two reports into one and provided feedback on the content prior to its submission to the Board.</p> <p>Mark Taylor left the meeting.</p> | | |
| 8. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Draft Corporate Plan - Equality and Diversity Report | | |
| 9. | AOB | | |
| | There was no further business. | | |

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| 10. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 31 March 2015.</p> <p>Apologies: None</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

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| 3. | <p>Internal Audit 2014/15</p> <p>David Henning joined the meeting.</p> <p>Alex Devlin introduced Internal Audit 2014/15 report, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the outcomes from the 2014/15 programme of work conducted by tiaa.</p> <p>(a) Assurance Review of the Payments and Payroll Arrangements</p> <p>Management Team noted the substantial assurance reported, recognising the work and commitment of David Hanlon and the Finance team.</p> <p>(b) ICT ISO 27001</p> <p>Management Team noted the limited assurance provided. David Henning advised Management Team of steps currently underway to address the areas identified which largely related to documentation of processes and lack of resource to undertake this work. He also proposed there was merit in rescheduling the ISO 27001 audit as this was location specific and should be completed following the move to one Edinburgh office. Management Team agreed and discussed available resource to support this work. Fiona Kordiak would review and advise.</p> <p>David Henning and Martin Walker would report back to Management Team ahead of the Audit Committee on steps taken to progress the recommendations.</p> <p>(c) Follow Up Review</p> <p>Management Team considered the report.</p> <p>Following detailed discussion, Management Team agreed Alex would liaise with tiaa to update the report to provide clarity on steps taken and confirm those policies which are in place. A further update would come to Management Team on 21 April prior to the Audit Committee meeting on 8 May 2015.</p> <p>Martin Walker, Alex Devlin and David Henning left the meeting.</p> | F Kordiak | Apr 2015 |
| 4. | <p>Communications Digest</p> | | |
| | <p>James Gillies and Brian Howarth joined the meeting.</p> <p>James Gillies introduced the Communications Digest report, a copy of which had been previously circulated.</p> | | |

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| | <p>James invited Management Team to note the report and provided a summary of the key highlights reported.</p> <p>Following discussion, Management Team welcomed the report.</p> | | |
| 5. | Hotlist of Emerging Audit Risks | | |
| | <p>Brian Howarth introduced the report on Hotlist of Emerging Audit Risks, a copy of which had been previously circulated.</p> <p>Brian invited Management Team to note there were no new risks reported.</p> <p>Following detailed discussion, Management Team invited Brian to lead a discussion at the next Leadership Group meeting on 29 April 2015.</p> <p>James Gillies and Brian Howarth left the meeting.</p> | B Howarth | Apr 2015 |
| 6. | Accounts Commission Meeting of 16 April 2015: Draft Agenda | | |
| | <p>Management Team noted the draft agenda for the meeting of the Accounts Commission on 16 April 2015.</p> | | |
| Becoming World Class | | | |
| 7. | Securing World Class Audit | | |
| | <p>(a) Quality Scorecards</p> <p>Owen Smith and John Gilchrist joined the meeting.</p> <p>Owen Smith introduced the report on Quality Scorecards, which had been previously circulated.</p> <p>Owen invited Management Team to note and comment on the content of the scorecards and discuss the extent to which these can be used going forward.</p> <p>Following detailed discussion, Management Team recognised the benefits of increased transparency and quality for use internally however recommended wider engagement with the business groups was required to provide greater balance in the commentary.</p> <p>Management Team welcomed the report and agreed to a further discussion once the scorecards had been developed further.</p> <p>Owen Smith and John Gilchrist left the meeting.</p> | O Smith/J Gilchrist | Jun 2015 |

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| 8. | Edinburgh Property Update | | |
| | <p>Diane McGiffen provided a verbal update on the new Edinburgh Property, confirming that the Lease had been agreed from 1 April 2015.</p> <p>Site visits were being organised to allow staff to see the new office before building works commenced and work was underway in relation to the procurement of the single stage fit out.</p> | | |
| 9. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Communications Digest - Edinburgh Property Update | | |
| 10. | AOB | | |
| | <ul style="list-style-type: none"> - CIPFA Conference Fiona Kordiak advised Management Team of the programme and interesting discussions on review of council tax, the importance of the fiscal framework and implications on pension schemes. - Fees and Funding Russell Frith advised Management Team that the Board will review the proposed policy on costs at its meeting in June. | | |
| 11. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 21 April 2015.</p> <p>Apologies: None</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 21 APRIL 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fiona Kordiak
 Caroline Gardner
 Fraser McKinlay
 Joy Webber (Minutes)

Apologies: None

In attendance: Martin Walker *items 2 and 3*
 Alex Devlin *items 4, 5, 6, 7 and 8*
 David Henning *item 6*
 Ronnie Nicol *item 9*
 Owen Smith *item 10*

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| 1. | Minutes | | |
| | <p>The draft minute dated 31 March 2015, was approved as an accurate record of the meeting.</p> <p>Diane McGiffen acknowledged Management Team's condolences for Alison McAdam's family who had relayed their thanks and appreciation for the generosity of staff in support of the Beatson Cancer Charity.</p> | | |
| 2. | <p>Review of Risk Register</p> <p>Martin Walker joined the meeting.</p> <p>Martin Walker introduced the Review of Risk Register report, which had been previously circulated.</p> <p>Martin invited Management Team to note the inclusion of a new risk in relation to maintaining BAU during the relocation to the new office and the reduction of the net risk for shared vision. Martin welcomed any comments on the revised register prior to submission for consideration by the Audit Committee.</p> <p>In considering each risk, Management Team discussed the consistency of ratings and agreed where wording should be expanded on.</p> <p>Following detailed discussion, Management Team welcomed the update and subject to amendment, approved its submission for consideration by the Audit Committee. Management Team also acknowledged the next review would work on re-shaping the risks.</p> | MWalker | Apr 2015 |

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| 3. | <p>Risk Interrogation - Capacity</p> <p>Martin Walker introduced the Risk Interrogation – Capacity report, a copy of which had been previously circulated.</p> <p>Martin invited Management to review and comment on the risk interrogation report and approve its submission to the Audit Committee.</p> <p>Management Team discussed the assurance the report provided in terms of controls in place to manage capacity. Following detailed discussion, Management Team recognised that while project work for the next six months was covered, a longer term view of capacity would be useful.</p> <p>Management Team discussed the uncertain political landscape, the new PAC and the need to utilise available budgets. With respect to best value, Fraser McKinlay advised he would report to Management Team on the proposed consultancy programme over the next two years</p> <p>Management Team welcomed the report and approved its submission to the Audit Committee subject to amendment.</p> | FMcKinlay | May 2015 |
| 4. | <p>2014/15 Audit Reports to the Audit Committee</p> | | |
| | <p>Alex Devlin joined the meeting.</p> <p>Alex Devlin introduced the 2014/15 Annual Reports to the Audit Committee report, which had been previously circulated.</p> <p>Alex invited Management Team to consider the assurance provided in the suite of annual reports and approve these for submission to the Audit Committee.</p> <p>(a) Bribery and Fraud Management Team noted there had been no instances of Bribery and Fraud detected in 2014/15.</p> <p>Management Team welcomed the assurance the report provided and approved its submission to the Audit Committee, subject to further reference to process for reviewing and identifying instances of bribery and fraud.</p> <p>(b) Whistleblowing Management Team noted there had been no instances of Whistleblowing raised with Audit Scotland by staff under our arrangements during 2014/15.</p> <p>Management Team welcomed the assurance the report provided and approved its submission to the Audit Committee subject to including reference to the Department of Business Innovation Skills new power in the Small Business Enterprise and Employment Bill</p> | | |

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| | <p>which would require Audit Scotland, the Auditor General for Scotland and the Accounts Commission requirement to publish an annual report on their handling of whistleblowing submissions from this year.</p> <p>(c) Information Governance and Security Management Team welcomed the reduction in the number of incidents reported and approved the report be submitted to the Audit Committee for its consideration.</p> <p>(d) Hospitality and Gifts Management Team welcomed the annual report on Hospitality and Gifts which provided assurance around our governance arrangements.</p> <p>In response to a query from Alex Devlin, Management Team provided clarification on events which should be recorded as entertainment and reported by Finance.</p> | | |
| 5. | Data Incident Loss | | |
| | <p>Alex Devlin introduced the report on Data Incident Loss, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the incidents reported and approve the report for submission to the Audit Committee.</p> <p>Following discussion, Management Team agreed amended wording and the inclusion to steps identified to avoid similar incidents occurring, prior to consideration by the Audit Committee.</p> | ADevlin | Apr 2015 |
| 6. | Internal Audit Reports to the Audit Committee | | |
| | <p>David Henning joined the meeting.</p> <p>(a) Findings of the ICT Review of ISO 27001 Arrangements</p> <p>David Henning introduced the report on Findings of the ICT Review of ISO 27001 Arrangements.</p> <p>David Henning invited Management Team to note the findings detailed in the report and the proposal to reschedule the stage one readiness review to March 2016 to reflect the location specific nature of the assessment. David provided assurance that the review was not in relation to information security but rather the readiness of our documentation setting out the process.</p> <p>Management Team welcomed the clarification and approved its submission to the Audit Committee.</p> | | |

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| | <p>(b) Findings of the Follow Up Review</p> <p>David Henning invited Management Team to note Findings of the Follow Up Review, which had been previously circulated.</p> <p>David Henning invited Management Team to note steps taken to put in place new controls and evidence had been submitted to the internal auditors to complete the outstanding actions. Tiaa are updating their report to the Audit Committee to reflect actions have been completed.</p> <p>David Henning left the meeting.</p> | | |
| 7. | SPSO Complaint Review Decision | | |
| | <p>Alex Devlin introduced the SPSO Complaint Review Decision report, which had been previously circulated.</p> <p>Alex invited Management Team to note the content of the report and approve a review of our complaints handling procedure and whistleblowing processes under PIDA and the development of a whistleblowing policy and correspondence handling.</p> <p>Management Team welcomed the report and discussed the change in legislation in relation to any 'worker' being able to whistleblow.</p> <p>Following discussion, Management Team agreed the inclusion of timescales in the report going to the Board in relation to updating the website, aligning the process with the correspondence review and organising training for any staff involved in correspondence and complaints handling.</p> <p>Alex advised he was liaising with bto in relation to training on the case law and the KITGG group would explore alternative training tools.</p> | ADevlin | May/Jun 2015 |
| 8. | FOI Publication Scheme 2015-19 | | |
| | <p>Alex Devlin introduce the report on FOI Publication Scheme 2015-19, which had been previously circulated.</p> <p>Alex invited Management Team to consider and recommend our publication scheme to the Board for approval.</p> <p>Management Team discussed and agreed the principles of adoption of the scheme.</p> <p>Following further discussion, Management Team agreed the re-grouping of information and the inclusion of a workplan to be developed for the KITGG to manage the review should be provided as part of the report going to the Board for its approval.</p> | ADevlin | Apr 2015 |

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| | Martin Walker and Alex Devlin left the meeting. | | |
| Becoming World Class | | | |
| 9. | Making A Difference | | |
| | <p>(a) Review of Auditing Best Value</p> <p>Ronnie Nicol joined the meeting.</p> <p>Ronnie Nicol introduced the report on Review of Auditing Best Value, which had been previously circulated.</p> <p>Ronnie invited Management Team to note progress to date and welcomed any comments on the future strategic direction of auditing best value.</p> <p>Management Team noted the discussion scheduled at the Accounts Commission Strategy Session next week prior to further detailed discussions across Audit Scotland to enable more informal engaged with colleagues and external parties.</p> <p>Following detailed discussion, Management Team welcomed the progress to date, noting the linkage to audit intelligence and reference to the Audit Code and appointments. Russell Frith would welcome a discussion at a sector meeting and he and Ronnie agreed to discuss.</p> <p>In terms of resourcing, Ronnie assured Management Team he was comfortable with the current support but recognised the need to bring in additional people as the project evolved. As part of this, Ronnie would bring a discussion to Leadership Group.</p> <p>Ronnie Nicol left the meeting.</p> | <p>RFrith/ RNicol</p> <p>RNicol</p> | <p>Jun 2015</p> <p>Jun 2015</p> |
| 10. | Securing World Class Audit | | |
| | <p>(a) Comparison of Indicative and Agreed Fees</p> <p>Owen Smith joined the meeting.</p> <p>Owen Smith introduced the Comparison of Indicative and Agreed Fees report, a copy of which had been previously circulated.</p> <p>Owen invited Management Team to comment on the draft report for consideration by the Audit Committee.</p> <p>Management Team discussed the value of the review and how this could feed into the scorecards and also</p> | | |

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| | <p>highlighting the possibility of rephrasing our income budget while providing a quality review and assurance in setting audit fees.</p> <p>Following detailed discussion, Management Team approved the report, noting indicative fees across the sectors were broadly right whilst recognising some required recalibration for the new audit appointments.</p> <p>(b) Fees and Costs – Draft Policy</p> <p>Russell Frith introduced the draft Board report on Fees and Costs – Draft Policy, which had been previously circulated.</p> <p>Russell invited Management Team to discuss the draft policy which sought to meet the requirement to broadly break even taking one year with another following the Board discussion on 26 March 2015.</p> <p>Management Team discussed the draft policy which should set out our statutory position and the operation of a tolerance level at 10% recognising the need for flexibility.</p> <p>Following detailed discussion, Russell welcomed the comments from Management Team and would bring back a revised version for final comments next week together with a paper setting out the key milestones for the project.</p> | RFrith | Apr 2015 |
| 11. | <p>Edinburgh Property Update</p> <p>Diane McGiffen provided a verbal update on the new Edinburgh Property, including the site visits by more than 60 staff and the current design planning work which continued.</p> | | |
| 12. | <p>Key messages to colleagues</p> <p>- 2014/15 Annual Assurance Reports</p> | | |
| 13. | <p>AOB</p> <p>There was no further business.</p> | | |
| 14. | <p>Date of next meeting</p> <p>The next Management Team meeting will be held on: Tuesday 28 April 2015.</p> <p>Apologies: Diane McGiffen, Fraser McKinlay</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 28 APRIL 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Russell Frith
 Fiona Kordiak
 Caroline Gardner
 Joy Webber (Minutes)

Apologies: Diane McGiffen
 Fraser McKinlay

In attendance: David Hanlon *item 2*
 Alasdair Craik, Geoff Lees, Colin Telford and Brian Battison *item 3*
 Martin Walker and Alex Devlin *items 4 and 5*
 Claire Sweeney *item 7*
 Owen Smith and Gordon McAllister *item 8*

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| 1. | Minutes | | |
| | The draft minute dated 21 April 2015, was approved as an accurate record of the meeting, subject to minor amendment and clarification. | JWebber | May 2015 |
| 2. | Draft Financial Year End Results to 31 March 2015 | | |
| | <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the Draft Financial Year End Results to 31 March 2015 report, which had been previously circulated.</p> <p>David invited Management Team to note the level of underspend which was in line with expectation taking into account previously report factors. David advised the auditors will commence review of the statutory accounts at the beginning of May. Once the accounts have been signed off the finalised statutory accounts will be presented to Management Team and then the Board in June for approval.</p> <p>Following detailed discussion, Management Team welcomed the report.</p> <p>David Hanlon left the meeting.</p> | D Hanlon | Jun 2015 |
| 3. | Update on the Progress of the Extended EAFA Audit Model | | |
| | <p>Alasdair Craik, Geoff Lees, Colin Telford and Brian Battison joined the meeting.</p> <p>Alasdair Craik introduced the Update on the Progress of the Extended EAFA Audit Model report, a copy of which had</p> | | |

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| | <p>been previously circulated.</p> <p>Alasdair invited Management Team to note the progress made on developing and implementing the new EAFA audit approach and the associated risks arising from future potential developments in relation to additional resourcing planning.</p> <p>Management Team noted the first round of field inspections had been completed and good progress was being made with the cattle inspections. Management Team acknowledged the changing and complex nature of the new EC audit requirements and the need to continue monitoring the development of the schemes and associated systems under the new Common Agricultural Policy and the outcome of the Futures Programme.</p> <p>Following detailed discussion, Management Team welcomed the team's update, recognising the progress made and their continued work in developing good practice with colleagues in other UK audit agencies to ensure a consistent approach to this audit work.</p> <p>Alasdair Craik, Geoff Lees, Colin Telford and Brian Battison left the meeting.</p> | | |
| 4. | Internal Audit Reporting | | |
| | <p>Martin Walker and Alex Devlin joined the meeting.</p> <p>(a) Recommendations – Progress Report</p> <p>Alex Devlin introduced the Internal Audit Recommendations – Progress Report, which had been previously circulated.</p> <p>Alex invited Management Team to note the progress on the implementation of outstanding audit recommendations.</p> <p>Management Team noted the two items which had passed their target completion dates on which Martin Walker would provide an update to the Audit Committee at its meeting on 8 May 2015.</p> <p>(b) Assurance Review of the QA Framework</p> <p>Alex Devlin introduced the Assurance Review of the QA Framework report from tiaa, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the updated report from tiaa which provided substantial assurance.</p> <p>Management Team noted the update and following</p> | <p>BHowarth</p> | <p>Jun 2015</p> |

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| | discussion around the cessation of hot reviews by the PS&QI Group, welcomed an update on the revised approach. | | |
| 5. | 2014/15 Annual Report to the Board – Complaints Handling | | |
| | <p>Alex Devlin introduced the 2014/15 Annual Report to the Board on Complaints Handling, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to approve the annual report on complaints for consideration by the Board.</p> <p>Management Team noted the number of complaints had increased but these were largely in relation to how complaints were handled. Management Team acknowledged the review of complaints handling arrangements was currently underway and looked forward to the report scheduled in May.</p> <p>Martin Walker and Alex Devlin left the meeting.</p> | | |
| 6. | Accounts Commission Meeting on 14 May 2015: Draft Agenda | | |
| | Management Team noted the Accounts Commission Meeting on 14 May 2015: Draft Agenda report, which had been previously circulated. | | |
| 7. | Making a Difference | | |
| | <p>Claire Sweeney joined the meeting.</p> <p>(a) Programme Development Update</p> <p>Claire Sweeney introduced a presentation to inform Management Team of progress to date.</p> <p>Claire invited any comments from Management Team.</p> <p>Management Team welcomed the update and discussed the big issues highlighted for the next five years, ie political implications, society changes and technological advances will provide new ways in the way we work.</p> <p>Following detailed discussion, Management Team recognised the importance of bringing people on the journey and how best to communicate the various external sources of data which are widely available.</p> <p>Management Team welcomed the interactive presentation and invited Claire to lead a discussion at the Leadership Group meeting in June, followed</p> | CSweeney | Jun 2015 Aug 2015 |

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| | <p>by a presentation to the Board in August.</p> <p>Claire Sweeney left the meeting.</p> | | |
| 8. | Securing World Class Audit | | |
| | <p>Owen Smith, John Gilchrist and Gordon McAllister joined the meeting.</p> <p>(a) NHS Annual Audit Plans Review 2014/15</p> <p>Owen Smith introduced the report on NHS Annual Audits Plans Review 2014/15, which had been previously circulated.</p> <p>Owen invited Management Team to note the outcomes of the review and Gordon McAllister provided an overview of the nature and prevalence of risks being identified by local auditors across the audit plans for the 14 NHS territorial boards.</p> <p>Following detailed discussion, Management Team recognised the value of this review and agreed it would be a useful exercise for each of the sectors going forward. In relation to feeding back to the partners and ASG, Russell would add general key audit themes to the agenda for the next partners lunch and where there were specific issue liaise with the relevant partner. In the meantime, Gordon would link in with Carol Hislop in ASG.</p> <p>(b) Audit Service Quality Survey – 2013/14 FE Audits</p> <p>John Gilchrist introduced the report on the Audit Service Quality Survey – 2013/14 FE Audits, a copy of which had been previously circulated.</p> <p>John invited Management Team to note the continuing high level of satisfaction with the quality of audits provided by ASG and the firms and the survey results for the Scotland's Colleges 2013 report.</p> <p>Following discussion, Management Team noted the high response rate and the positive results but welcomed consideration of alternative methods for obtaining feedback going forward.</p> <p>(c) Fees and Costs – Draft Policy</p> <p>Russell Frith introduced the report on Fees and Costs – Draft Policy, which had been previously circulated.</p> <p>Russell invited Management Team to comment on the revised draft Board paper which incorporated</p> | <p>RFrith</p> <p>GMcAllister</p> | <p>May 2015</p> <p>May 2015</p> |

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| | <p>feedback previously received from colleagues.</p> <p>Following discussion, Management Team noted the updated report and, subject to final review and comment, approved it for consideration by the Board.</p> <p>(d) Project Timeline and Governance</p> <p>Russell Frith introduced the Project Timeline and Governance Report, which had been previously circulated.</p> <p>Russell invited Management Team to comment on the proposed report for the Board on the timeline for the project and overall governance arrangements.</p> <p>Following discussion, Management Team noted the timeline and queried whether additional resource was required to assist in the delivery of the project.</p> <p>Looking ahead, Management Team agreed that Russell would lead a discussion at the Leadership Group meeting in June 2015 on Draft Code of Audit Practice and the Procurement Strategy which would feed into the report scheduled to go to the Board in August 2015.</p> <p>Owen Smith, John Gilchrist and Gordon McAllister joined the meeting.</p> | | |
| Standing Items | | | |
| 9. | Forward Planning | | |
| | <p>(a) Leadership Group Agenda – 29 April 2015</p> <p>Management Team discussed the agenda for the meeting of the Leadership Group and agreed Fiona Kordiak and Fraser McKinlay would chair the meeting.</p> <p>(b) Draft Management Team Agenda – 5 May 2015</p> <p>Management Team noted the agenda for the meeting scheduled for 5 May 2015.</p> <p>(c) Draft Remco Agenda – 8 May 2015</p> <p>Management Team noted the agenda for the meeting of Remco scheduled for 8 May 2015.</p> <p>(d) Draft Board Agenda – 8 May 2015</p> <p>Management Team noted the agenda for the meeting of the Board on 8 May 2015.</p> | | |

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| 10. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - EAFA Audit - Making a Difference – Programme Development Update - Securing World Class – Audit Service Quality Survey – 2013/14 FE Audits | | |
| 11. | AOB | | |
| | <p>Update on Independent Financial Scrutiny Event for MSPs</p> <p>Kirsty Gibbins joined the meeting.</p> <p>Kirsty introduced the Update on Independent Financial Scrutiny Events for MSPs report, which has been previously circulated.</p> <p>Kirsty invited Management Team to note the update on the event including confirmed attendees from the Scottish Parliament and colleagues from across Audit Scotland, including John Maclean.</p> <p>Management Team noted the update and discussed the exhibits and presentations for the event.</p> | | |
| 12. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 5 May 2015.</p> <p>Apologies: Caroline Gardner</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
MINUTE OF MEETING HELD ON 5 MAY 2015
IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
Russell Frith
Fraser McKinlay
Fiona Kordiak
Joy Webber (Minutes)

Apologies: Caroline Gardner

In attendance: David Blattman *item 2*
Antony Clark *item 3*
Owen Smith *item 4*
James Gillies *items 5, 6 and 7*
Brian Howarth *items 6 and 7*

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| 1. | Minutes | | |
| | The draft minute dated 28 April 2015, was approved as an accurate record of the meeting, subject to minor amendment. | JWebber | May 2015 |
| Becoming World Class | | | |
| 2. | Building a Better Organisation | | |
| | <p>David Blattman joined the meeting.</p> <p>Fiona Kordiak updated Management Team of discussions at the Leadership Group meeting on 29 April, and the People Focus Group meeting on 1 May 2015.</p> <p>David Blattman advised Management Team that the anticipated report from our partners has been delayed by a week but their feedback had been that the first workshops had provided some useful insights.</p> <p>In terms of next steps, David invited Management Team to consider how to playback the reports findings with colleagues. Management Team agreed that it was important the report was shared with colleagues at the same time as Management Team and the Leadership Group. Management Team welcomed the approach to invite colleagues from the workshops to join the Steering Group and looked forward to seeing the proposed route map of engagement for this phase of the Building a Better Organisation project through to April 2016.</p> <p>Following detailed discussion, David and Fiona agreed to advise colleagues when the report would be available.</p> <p>Following detailed discussion, Management Team welcomed the update.</p> | <p>D Blattman</p> <p>D Blattman /F Kordiak</p> | <p>May 2015</p> <p>May 2015</p> |

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| | David Blattman left the meeting. | | |
| 3. | Making a Difference | | |
| | <p>Antony Clark joined the meeting.</p> <p>(a) Performance Audit and Best Value Transparency and Quality Report: 2014/15</p> <p>Antony Clark introduced the Performance Audit and Best Value Transparency and Quality Report 2014/15, a copy of which had been previously circulated.</p> <p>Antony invited Management Team to consider PABV's draft Transparency and Quality report as part of Audit Scotland's approach to managing audit quality.</p> <p>Management Team welcomed the report and following discussion, suggested the inclusion of more detail around the scale of work undertaken in the year to bring balance to the focus of developing activities.</p> <p>Following further discussion, Management Team acknowledged the corporate Transparency and Quality Report would be discussed at next week's meeting and agreed a further review in six months time would be useful.</p> <p>(b) Scrutiny Improvement Update</p> <p>Antony Clark introduced the report on Scrutiny Improvement Update, which had been previously circulated.</p> <p>Antony invited Management Team to consider the interest in external scrutiny and public service reform and the emerging messages arising from the SSG projects.</p> <p>Management Team considered the development of the key projects and discussed how to best maximise the potential and impact in terms of audit role and implications.</p> <p>Management Team agreed an update to the Board in August or September 2015 would be welcome.</p> <p>Antony Clark left the meeting.</p> | <p>AClark</p> <p>RFrith</p> <p>AClark/F McKinlay</p> | <p>May 2015</p> <p>May 2015</p> <p>Aug/Sept 2015</p> |
| 4. | Securing World Class Audit | | |

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| | <p>(a) Procurement Strategy – Discussion Paper</p> <p>Russell Frith introduced the Procurement Strategy Discussion Paper report, which had been previously circulated.</p> <p>Russell invited Management Team to discuss the proposed strategy and welcomed any comments on the provisional conclusions and any additional information which may assist the Board in considering the strategy at its meeting on 8 May 2015.</p> <p>During detailed discussion, Management Team considered the fundamental question of delivering best value for money, the decision making roles of the Auditor General of Scotland and the Accounts Commission in the process, the need to clarify the benefits of Audit Scotland’s role.</p> <p>Russell invited Management Team to note the draft Code of Audit is scheduled to be discussed at next week’s meeting with an updated procurement proposal for consideration on 19 May 2015. As part of this Management Team would welcome a more detailed discussion around budget and fees.</p> <p>Management Team agreed to provide any additional points of detail on the procurement strategy to Russell by email.</p> | <p style="text-align: center;">RFrith</p> <p style="text-align: center;">All</p> | <p style="text-align: center;">May 2015</p> <p style="text-align: center;">May 2015</p> |
| 5. | Communications Team Staff Changes | | |
| | <p>James Gillies joined the meeting.</p> <p>James Gillies introduced the report on Communications Team Staff Changes, which had been previously circulated.</p> <p>James invited Management Team to approve the proposed change to the team structure and the recruitment of a new communications officer.</p> <p>Following discussion, Management Team noted the proposed change to the team structure and approved the recruitment of a communications officer.</p> | | |
| 6. | Communications Digest | | |
| | <p>Brian Howarth joined the meeting.</p> <p>James Gillies introduced the Communications Digest, which had been previously circulated.</p> <p>James invited Management Team to note the number of references to Audit Scotland in Parliamentary Committees in relation to the fiscal framework and Scotland college’s</p> | | |

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| | <p>report.</p> <p>Management Team welcomed the report.</p> | | |
| 7. | Hotlist of Emerging Audit Risks | | |
| | <p>Brian Howarth introduced the Hotlist of Emerging Audit Risks Report, a copy of which had been previously circulated.</p> <p>Brian invited Management Team to note the report, highlighting the addition of two new risks identified.</p> <p>Management Team discussed the report and Fraser McKinlay requested the inclusion of one further audit risk.</p> <p>James Gillies and Brian Howarth left the meeting.</p> | | |
| 8. | Physical Security Policy | | |
| | <p>Management Team considered the Physical Security Policy Report, which had been previously circulated.</p> <p>Following consideration, Management Team approved the policy which supports our aim to achieve ISO 27001.</p> | | |
| Standing Items | | | |
| 9. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Building a Better Organisation - Performance Audit and Best Value - Transparency and Quality Report: 2014/15 | | |
| 10. | AOB | | |
| | There was no further business. | | |
| 11. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 12 May 2015.</p> <p>Apologies: None</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
MINUTE OF MEETING HELD ON 12 MAY 2015
IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
Caroline Gardner
Russell Frith
Fraser McKinlay
Fiona Kordiak
Lorna McEwan (Minutes)

Apologies: None

In attendance: Martin Walker *items 3, 4 and 5*
Ian Metcalfe *item 3*
Alex Devlin *items 4 and 5*
Antony Clark, Mark McCabe, Fiona Mitchell-Knight, Gillian Woolman *item 7a*
Angela Canning, Sarah Pollock *item 7b*
Owen Smith, John Gilchrist *items 8a, 8b and 8c*

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| 1. | Minutes | | |
| | The draft minute dated 5 May 2015, was approved as an accurate record of the meeting. | J Webber | May 2015 |
| For information and discussion | | | |
| 2. | Financial Results – 12 Months to 31 March 2015 | | |
| | <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the report on Financial Results – 12 Months to 31 March 2015, which had been previously circulated.</p> <p>Management Team noted that in the preparation of the Statutory Accounts a number of adjustments had been made to the figures previously report on 28 April 2015.</p> <p>Following discussion it was agreed that a consultancy budget report would be considered by Management Team in two weeks time.</p> <p>Management Team agreed to consider EYF opportunities and modelling prior to the Board meeting of 4 June 2015.</p> <p>David Hanlon left the meeting.</p> | F McKinlay | Jun 2015 |
| 3. | Q4 Performance Report 2014/15 | | |
| | <p>Martin Walker and Ian Metcalfe joined the meeting.</p> <p>Martin Walker introduced the Q4 Performance report, which had been previously circulated.</p> | | |

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| | <p>Martin invited Management Team to discuss the contents of the report and welcomed any comments prior to submission to the Board on 4 June 2015.</p> <p>Management Team noted the streamlined report, agreeing it was easier to read. A discussion followed on the slippage experienced during Q3 and Q4 which was greater than in previous years.</p> <p>Following further discussion on the indicators and objectives, Management Team agreed amendments prior to submission to the Board on 4 June 2015.</p> <p>Ian Metcalfe left the meeting.</p> | M Walker / I Metcalfe | May 2015 |
| 4. | Governance Statement and Certificate of Assurance 2014/15 | | |
| | <p>Alex Devlin joined the meeting.</p> <p>Alex Devlin introduced the report on Governance Statement and Certificate of Assurance 2014/15, which had been previously circulated.</p> <p>A discussion followed on the contents of the certificates of assurance and subject to minor amendment, Management Team approved the Governance Statement and Certificate of Assurance 2014/15 for submission to the Audit Committee on 4 June 2015.</p> | A Devlin | May 2015 |
| 5. | Freedom of Information Annual Report 2014/15 | | |
| | <p>Alex Devlin introduced the Freedom of Information Annual report, a copy of which had been previously circulated.</p> <p>Management Team noted that more FOI requests had been received in 2014/15 than in the previous year and a discussion followed on the costing of FOI requests.</p> <p>Management Team approved the submission of the Annual Freedom of Information report to the Board.</p> <p>Alex Devlin and Martin Walker left the meeting.</p> | A Devlin | May 2015 |
| 6. | Building a Better Organisation | | |
| | <p>(a) Performance Appraisal and Development Outturn April 2015</p> <p>Management Team agreed this report would be considered at a future meeting of the People Focus Group.</p> <p>(b) Development and Growth Strategy and Report 2015/16</p> | | |

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| | Management Team considered the report had been read and subsequently approved. | | |
| 7. | Making a Difference | | |
| | <p>Antony Clark, Mark McCabe, Fiona Mitchell-Knight and Gillian Woolman joined the meeting.</p> <p>(a) Shared Risk Assessment 2015/16</p> <p>Mark McCabe introduced the update to the Shared Risk Assessment (SRA) 2015/16 and highlighted the details of the strengthened central planning and scheduling arrangements between scrutiny planning bodies.</p> <p>Fiona Mitchell-Knight highlighted the key successes of SRA and a discussion followed on areas for development.</p> <p>Management Team welcomed the update and congratulated the team on improving the SRA process as a whole.</p> <p>Gillian Woolman and Antony Clark left the meeting.</p> <p>A discussion followed on Argyll & Bute Council and Fraser agreed to share his draft response to Mike Russell's email with Management Team for comment. Following further discussion it was agreed that Fraser McKinlay would meet with Mike Russell in the near future.</p> <p>Fiona Mitchell-Knight and Mark McCabe left the meeting.</p> <p>(b) Correspondence Development Project</p> <p>Angela Canning, Cathy MacGregor and Sarah Pollock joined the meeting.</p> <p>Management Team welcomed the findings from the Correspondence Development Review report, a copy of which had been previously circulated.</p> <p>A discussion followed on issues of concern and how much time is spent dealing with such matters.</p> <p>Following further discussion, Management Team considered and agreed the key findings and agreed the recommendations within the final report.</p> <p>Management Team requested that the formal policy for correspondence and other key outputs be</p> | <p>F McKinlay</p> <p>Corresp. Team</p> | <p>Actioned</p> <p>Aug 2015</p> |

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| | <p>considered at a future Management Team in August 2015, prior to consideration by the Accounts Commission and the Board.</p> <p>Angela Canning, Cathy MacGregor and Sarah Pollock left the meeting.</p> | | |
| 8. | Securing World Class Audit | | |
| | <p>Owen Smith and John Gilchrist joined the meeting.</p> <p>(a) Draft Code of Audit Practice</p> <p>Owen Smith introduced the report on the draft Code of Audit Practice and invited Management Teams' view on the direction of travel.</p> <p>A discussion followed around a number of the key questions posed in the covering paper, in particular whether or not we should go for lesser assurance engagement for small audited bodies.</p> <p>Management Team noted that the draft Code would be considered by Leadership Group on 3 June 2015.</p> <p>(b) Corporate Quality Framework</p> <p>John Gilchrist introduced the revised Corporate Quality Framework report, a copy of which had been previously circulated.</p> <p>Management Team noted that the Framework had been reviewed to include input from the FAAC on what features they would value in the revised document. John Gilchrist agreed to revisit the wording in paragraph 49 with Douglas Sinclair prior to the report being considered by the Board at its meeting on 4 June 2015.</p> <p>Subject to the proposed amendments, Management Team approved submission of the Corporate Quality Framework to the Board.</p> <p>(c) Transparency and Quality Report 2014/15</p> <p>John Gilchrist introduced the Transparency and Quality Report 2014/15, a copy of which had been previously circulated.</p> <p>Management Team welcomed the positive assurance provided by the quality processes during 2014/15 and subject to the amendments discussed at the meeting, approved the report for consideration by the Board on 4 June 2015.</p> | <p>R Frith</p> <p>J Gilchrist</p> | <p>Jun 2015</p> <p>May 2015</p> |
| Standing Items | | | |

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| 9. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Financial Results to 31 March 2015 - Q4 Corporate Performance - Shared Risk Assessment 2015/16 | | |
| 10. | AOB | | |
| | There was no further business. | | |
| 11. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 19 May 2015.</p> <p>Apologies: None <i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 19 MAY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Russell Frith
 Fraser McKinlay
 Fiona Kordiak
 Joy Webber (Minutes)

Apologies: None

In attendance: David Henning and David McGurk *item 2*
 Angela Canning *item 3a*
 David McConnell *item 3b*
 Martin Walker *item 3c*
 David Blattman and Charlotte Anderson *item 4*

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| 1. | Minutes | | |
| | The draft minute dated 12 May 2015, was approved as an accurate record of the meeting. | J Webber | May 2015 |
| For information and discussion | | | |
| 2. | Changes to Business Continuity Provision | | |
| | <p>David Henning and David McGurk joined the meeting.</p> <p>David Henning introduced the report on Changes to Business Continuity Provision, a copy of which had been previously circulated.</p> <p>David McGurk invited Management Team to note the period of increased risk to Audit Scotland's business continuity provision during the move of the DR servers from 110 George Street to South Gyle on 30 and 31 May 2015.</p> <p>Management were also invited to note that following the move, additional connections were being put in place between 110 George Street and South Gyle to improve and enable business continuity in the event of a power failure at 18 George Street.</p> <p>Management Team noted the risks and mitigating actions to ensure business continuity and welcomed the assurance of the planning in place in advance of the move to 102 West Port.</p> <p>David Henning and David McGurk left the meeting.</p> | | |
| Becoming World Class | | | |

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| 3. | Making a Difference | | |
| | <p>(a) Publications Schedule</p> <p>Angela Canning joined the meeting.</p> <p>Angela Canning introduced the Publications Schedule June to December 2015 report, which had been previously circulated.</p> <p>Angela invited Management Team to note the publications scheduled and welcomed and comments.</p> <p>Following discussion, Management Team agreed the report should be updated to highlight where improvements in reporting had been made, as part of the 'Making a Difference' workstream before submission for the Board's consideration at its meeting in June 2015.</p> <p>Angela Canning left the meeting.</p> <p>(b) Annual Report on Working with Other Countries 2014/15</p> <p>David McConnell joined the meeting.</p> <p>David McConnell introduced the Working with Other Countries – 2014/15 Annual Report, a copy of which had been previously circulated.</p> <p>David invited Management Team to consider and comment on the draft report and plans for publication.</p> <p>Management Team welcomed the report and following discussion agreed that the EURORAI event in October 2014 should appear more prominently, recognising the agencies and partners who we worked with to bring the conference to Edinburgh. In addition, the policy, process and strategy for our international work required to be set out more clearly.</p> <p>Following detailed discussion, Management Team agreed a review of the strategy and budgeting would be considered at a meeting in July.</p> <p>David McConnell left the meeting.</p> <p>(c) 2014/15 Annual Report on Correspondence</p> <p>Management Team agreed this report would be reviewed by email prior to its submission to the Audit Committee meeting on 4 June 2015.</p> | <p>ACanning</p> <p>DMcConnell</p> <p>All</p> | <p>May 2015</p> <p>July 2015</p> <p>May 2015</p> |

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| | <p>(d) Draft Annual Impact Report 2014/15</p> <p>Martin Walker joined the meeting.</p> <p>Martin Walker introduced the Draft Annual Impact Report 2014/15, which had been previously circulated.</p> <p>Martin invited Management Team to consider and comment on the draft report in advance of its submission to the Board.</p> <p>Management Team welcomed the report, noting the improvements made to the content and style of the report.</p> <p>During detailed discussion, Management Team provided comments on the report, highlighting areas where greater impact had been made than currently came across and requested the inclusion of a link to the Impact Report for the Accounts Commission for completeness.</p> <p>Management Team approved the report for submission to the Board once the content had been updated to reflect discussions.</p> <p>Martin Walker left the meeting.</p> | MWalker | May 2015 |
| 4. | Building a Better Organisation | | |
| | <p>Health, Safety and Wellbeing Annual Report 2014/15</p> <p>David Blattman and Charlotte Anderson joined the meeting.</p> <p>David Blattman introduced the Annual Report on Health, Safety and Wellbeing, a copy of which had been previously circulated.</p> <p>David invited Management team to note the assurance provided in the report and welcomed any comments or queries prior to its consideration by the Audit Committee.</p> <p>Management Team noted the largely positive report, recognising the support of the team in helping to deliver lower reported levels of absence due to stress.</p> <p>Following discussion, Management team requested a number of small amendments and the inclusion of a summary from the Best Companies survey before approving the report for consideration by the Audit Committee.</p> <p>David Blattman and Charlotte Anderson left the</p> | | |

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| | meeting. | | |
| 5. | Securing World Class Audit | | |
| | <p>(a) Procurement Strategy</p> <p>Russell Frith introduced the Procurement Strategy – Discussion Paper, which had been previously circulated.</p> <p>Russell invited Management team to note the paper had been updated to reflect previous comments received on 5 May 2015 and welcomed any further views prior to the Leadership Group discussion scheduled for 3 June and the Board discussion on 4 June 2015.</p> <p>Management Team welcomed the update and the further detail provided around the proposed options. Management Team agreed that setting out the process and how that differed from CCT, and providing clarity around how best value and good governance for public audit would be achieved would be helpful for the Board.</p> <p>Following further discussion, Management Team also clarified that the Board approved the process with the Auditor General for Scotland the Accounts Commission approving the audit appointments.</p> <p>Management Team would take the opportunity to consider the report further and feed back any additional comments to Russell.</p> <p>In turn, Russell would issue the draft report to Board members by the end of the week in order to answer or respond to any immediate queries prior to the Board papers being issued the following week.</p> <p>(b) Fees and Costs Draft Policy</p> <p>Russell Frith introduced the Fees and Costs Draft Policy report, which had been previously circulated.</p> <p>Russell invited Management Team to note the purpose of the report to the Board was to provide sector income and costs outturns for 2014/15, at the same time as considering the Annual Report and Accounts, enabling member to approve budget and fee setting proposals.</p> <p>Management Team discussed the report and Fiona Kordiak agreed to review the budget information relating to EAFA.</p> <p>Following detailed discussion, Management Team</p> | <p>All</p> <p>RFrith</p> <p>FKordiak</p> | <p>20 May 2015</p> <p>22 May 2015</p> <p>Actioned</p> |

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| | <p>agreed a review of sector costs should be undertaken annually going forward to assess whether rebates can be applied across all sectors.</p> <p>Management Team agreed the report would benefit from the inclusion of a background section which set out the key points from previous discussions, and suggested the expansion of the next steps to provide more clarity around work planning and flexibility.</p> <p>Russell advised Management Team he would liaise with Ian Leitch to schedule a meeting to discuss the Board paper in advance of it being finalised for issue to members.</p> | <p>RFrith</p> <p>RFrith</p> | <p>Actioned</p> <p>Actioned</p> |
| Standing Items | | | |
| 6. | Key messages to colleagues | | |
| | - 2014/15 Annual Reports | | |
| 7. | AOB | | |
| | <ul style="list-style-type: none"> - MSP Event Caroline Gardner reflected on the event last week, which had been well attended and supported by colleagues. Management Team agreed it had provided a good opportunity to meet and engage with a number of the new MSPs. - Assistant Director Development Management Team discussed next steps of the BABO agenda with a session proposed to be scheduled in the Autumn with Tony Page. Joy would liaise regarding availability. - Westminster Diane McGiffen advised of an event for new MPs/MSPs to be held in June or July and once details were known this would appear in the Communications Digest. | | |
| 8. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 26 May 2015.</p> <p>Apologies: None</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 26 MAY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Russell Frith
 Fraser McKinlay
 Fiona Kordiak
 Joy Webber (Minutes)

Apologies: None

In attendance: Martin Walker *item 2*
 Alex Devlin *item 3*
 Angela Cullen *item 6a*
 Mark Roberts *item 6b*

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| 1. | Minutes | | |
| | The draft minute dated 19 May 2015, would be considered at a later meeting. | J Webber | June 2015 |
| For information and discussion | | | |
| 2. | Risk Workshop May 2015 | | |
| | <p>Martin Walker joined the meeting.</p> <p>Martin Walker introduced the report for the Risk Workshop May 2015, which had been previously circulated.</p> <p>Martin invited Management Team to participate in a strategy risk workshop session in order to develop and agree refinements to the risk register, programme of risk interrogations and risk management framework.</p> <p>Following a brief summary of the process, Martin facilitated a brainstorming session to capture high level details of external risks from various aspects including political, economic, technology, social and environment.</p> <p>During detailed discussion, risks were identified and rated, and appropriate controls and mitigating actions were considered.</p> <p>Following detailed discussion, Management Team thanked Martin for the session and agreed to have a second session on 16 June 2015.</p> <p>Martin Walker left the meeting.</p> | | |
| 3. | Public Services Reform (Scotland) Act – Draft Statements on Exercise of Public Functions | | |

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| | <p>Alex Devlin joined the meeting.</p> <p>Alex Devlin introduced the report on Public Services Reform (Scotland) Act – Draft Statements on Exercise of Public Functions, which had been previously circulated.</p> <p>Alex invited Management Team to consider and comment on the draft statements and approve their publication.</p> <p>Management Team welcomed the statements and provided minor comment before approving these for publication.</p> <p>Alex Devlin left the meeting.</p> | | |
| 4. | Accounts Commission Draft Agenda : 11 June 2015 | | |
| | <p>Fraser McKinlay provided an update and brief overview of the agenda.</p> <p>Russell Frith advised he would bring the housing report being considered at this meeting to Management Team at a later date.</p> | RFrith | Summer 2015 |
| Becoming World Class | | | |
| 5. | Securing World Class Audit | | |
| | <p>Application of Ethical Standard for Auditors to the Role of the Audit Scotland Board</p> <p>Russell Frith introduced the report on Application of Ethical Standard for Auditors to the Role of the Audit Scotland Board, a copy of which had been previously circulated.</p> <p>Russell invited Management team to consider the draft Board paper which would inform a discussion around the issue of conflicts for Board members generally.</p> <p>Management Team discussed the merits for adopting the principles and suggested further research be undertaken in advance of the report going to the Board for consideration.</p> | RFrith | Aug 2015 |
| 6. | Making a Difference | | |
| | <p>Angela Cullen and Mark Roberts joined the meeting.</p> <p>(a) PABV Consultancy Budget</p> <p>Fraser McKinlay introduced the PABV Consultancy Budget report, which had been previously circulated.</p> <p>Fraser advised Angela had undertaken a review of PABV's consultancy budget and invited Angela to brief Management Team on her findings.</p> | | |

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| | <p>Angela invited Management Team to note the factors and barriers which had affected spending in previous years, the lessons learned and provided an outline of planned spend of the consultancy budget during 2015/16.</p> <p>Management Team welcomed the update and agreed to schedule a quarterly review of budget spend going forward as part of the quarterly financial reporting.</p> <p>(b) Draft Response to Proposed Draft Climate Change (Reporting Climate Change Duties) (Scotland) Order 2015</p> <p>Mark Roberts introduced the report on the Draft Response to Proposed Draft Climate Change (Reporting Climate Change Duties) (Scotland) Order 2015, which had been previously circulated.</p> <p>Mark invited Management Team to consider and approve the draft response to the Scottish Government's consultation on the proposed introduction of mandatory annual reporting against climate change duties across the public sector.</p> <p>Management Team discussed our Carbon Management Plan which would meet the requirements of the requirement, noting that any work undertaken on behalf of the Accounts Commission with regard to sustainability will be reported as part of Audit Scotland's annual report along with any other relevant audit activity.</p> <p>Following further discussion, Management Team provided more detailed comments on the draft response and requested consideration and expansion to include any resource implications.</p> <p>Subject to the inclusion of comments provided, Management Team approved the response.</p> <p>Angela Cullen and Mark Roberts left the meeting.</p> | JWebber | Ongoing |
| Standing Items | | | |
| 7. | Key messages to colleagues | | |
| | - Risk Workshop | | |
| 8. | AOB | | |
| | - Internal Audit Management Team noted the re-tender for internal audit services was underway. | | |

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| | <p>- Leadership Group Management Team noted discussions around the proposal for smaller sub groups to lead on Digital/Technology, Quality/Impact, Performance Management/Risk and People Focus. Diane McGiffen would seek views and share these in early course.</p> | DMcGiffen | Jun 2015 |
| 9. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 2 June 2015.</p> <p>Apologies: Russell Frith and Fiona Kordiak</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 2 JUNE 2015
 IN AUDIT SCOTLAND'S OFFICES AT 110 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Fraser McKinlay
 Lorna McEwan (Minutes)

Apologies: Russell Frith
 Fiona Kordiak

In attendance: Brian Howarth *items 2 and 3*
 David Hanlon *item 4*

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| 1. | Minutes | | |
| | The draft minute dated 26 May 2015, would be considered at a later date. | J Webber | June 2015 |
| For information and discussion | | | |
| 2. | Communications Digest | | |
| | <p>Brian Howarth joined the meeting.</p> <p>Diane McGiffen introduced the report on Communications Digest, which had been previously circulated.</p> <p>Management Team welcomed the report and a discussion on Scotland's Fiscal Framework followed.</p> | | |
| 3. | Hotlist of Emerging Audit Risks | | |
| | <p>Brian Howarth introduced the Hotlist of Emerging Audit Risks Report, a copy of which had been previously circulated.</p> <p>Brian invited Management Team to note the report.</p> <p>Fraser McKinlay provided an update of Glasgow Colleges Regional Board (GCRB) and a discussion followed.</p> <p>Management Team discussed the report and Caroline Gardner requested the inclusion of one further audit risk.</p> <p>Brian Howarth left the meeting.</p> | | |
| 4. | Annual Report and Accounts | | |
| | <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the draft Annual Report and Accounts, a copy of which had been previously circulated.</p> | | |

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| | <p>David informed Management Team that he had already received feedback from two members of the Audit Committee and requested that he be notified of any further amendments as soon as possible.</p> <p>Management Team welcomed the report and congratulated the teams involved in its publication.</p> <p>David Hanlon left the meeting.</p> | All | Actioned |
| 5. | Accounts Commission Business | | |
| | A discussion followed on the Account's Commission strategy, a copy of which would be considered by Management Team at a later date. | | |
| 6. | Draft Accounts Commission Committee Agendas 18/06/15 | | |
| | Management Team discussed and noted the agendas for the Financial Audit and Assurance Committee and the Performance Audit Committee meetings scheduled to be held on 18 June 2015. | | |
| Standing Items | | | |
| 7. | Key messages to colleagues | | |
| | There were no key messages considered. | | |
| 8. | AOB | | |
| | There was no further business. | | |
| 9. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 16 June 2015.</p> <p>Apologies: Diane McGiffen</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 16 JUNE 2015
 IN AUDIT SCOTLAND'S OFFICES AT 110 GEORGE STREET, EDINBURGH.**

Present: Russell Frith
 Caroline Gardner
 Fraser McKinlay
 Fiona Kordiak
 Joy Webber (Minutes)

Apologies: Diane McGiffen

In attendance: Graeme Greenhill *item 2*
 Martin Walker *items 2, 3 and 4*
 Joanna Stevenson *item 5*

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| 1. | Minutes | | |
| | The draft minutes dated 19 May, 26 May and 2 June 2015, were approved as accurate records of each meeting. | | |
| For information and discussion | | | |
| 2. | Edinburgh Tram Public Inquiry Update | | |
| | <p>Graeme Greenhill and Martin Walker joined the meeting.</p> <p>Graeme Greenhill introduced the report on Edinburgh Tram Public Inquiry Update, which had been previously circulated.</p> <p>Graeme invited Management Team to note the publication of Inquiry Procedure Direction No. 6 – Core Participants and the deadline of 26 June for applications to be submitted, with a preliminary hearing scheduled for 19 August 2015.</p> <p>During detailed discussion, Management Team acknowledged the view that applying to be a Core Participant could be made at a later date. In the meantime, Management Team agreed Audit Scotland would respond to the inquiry on behalf of the Auditor General and the Accounts Commission to provide assurance that papers would be forthcoming during this initial planning and preparation phase.</p> <p>Management Team thanked Graeme for the update.</p> <p>Graeme Greenhill left the meeting.</p> | | |
| 3. | Risk Workshop (2) June 2015 | | |
| | Martin Walker introduced the Risk Workshop (2) June 2015 report, a copy of which had been previously circulated. | | |

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| | <p>Martin invited Management Team to consider the range of issues captured from the workshop held on 26 May before opening this second brainstorming session which aimed to consider the issues identified in order to refine and respond to the gaps and priorities arising.</p> <p>Management Team recognised the main areas identified in the first session related to capacity and flexibility of resource and welcomed the opportunity to use the outputs from these workshops to feed into the public sector audit risk register and inform how the registers are then used corporately. Martin agreed to develop the audit risk register which would come to Management Team on a quarterly basis.</p> <p>During detailed discussion, Management Team considered the tracking of public funding through Europe, the impact of further austerity measures on public services and full fiscal powers. Turning to digital capability, Management Team considered more innovative ways to undertake audit research, engage with the armchair auditor, challenge the rules and streamline process to enable us to be more current and proactive in our reporting.</p> <p>Management Team thanked Martin for facilitating a helpful and informative session.</p> | MWalker | Aug 2015 |
| Becoming World Class | | | |
| 4. | Improvement Programme Update | | |
| | <p>Martin Walker introduced an update report on Becoming World Class Improvement Programme, which had been previously circulated.</p> <p>Martin invited Management Team to note the progress made across all workstreams, together with planned actions.</p> <p>Management Team noted progress to date and welcomed the proposal to bring a quarterly update, alongside the corporate performance reporting cycle, which would providing the ability to track more easily progress being made and where additional support is required.</p> <p>Martin Walker left the meeting.</p> | | |
| 5. | Securing World Class Audit | | |
| | <p>Audit Materiality – Follow Up Review to 2013/14</p> <p>Joanna Stevenson joined the meeting.</p> <p>Russell Frith invited Joanna to introduce the Audit Materiality – Follow Up Review to 2013/14 report, which had been previously circulated.</p> | | |

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| | <p>Joanna invited Management Team to discuss the report and note the positive impact the review had had on audit quality and transparency.</p> <p>Management Team recognised the increased consistency and quality of reporting clearly demonstrated the value of this work.</p> <p>Following detailed discussion, Russell assured Management Team of the intention to incorporate the combined basis of gross expenditure and performance materiality in next year's review.</p> <p>Management Team welcomed the report.</p> <p>Joanna Stevenson left the meeting.</p> | | |
| Standing Items | | | |
| 6. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Becoming World Class – Improvement Programme - Audit Materiality – Follow Up Review to 2013/14 | | |
| 7. | AOB | | |
| | <ul style="list-style-type: none"> - Inverness Office Fiona Kordiak advised Management Team of the application for planning permission had been received. Facilities had been advised and were liaising as required to enable staff to be kept informed. - Scottish Police Authority Fiona Kordiak advised Management Team of a meeting with the Chair of the Committee. - BABO Fiona Kordiak provided feedback following on from Friday's workshop and advised of proposed engagement sessions to be held at the end of September/beginning of October. - FOI Russell Frith invited Management Team to comment on the Scottish Government's Consultation on further extension of coverage of the Freedom of Information (Scotland) Act 2002 to more organisations. Management Team discussed their support for the principles and an appropriate response. Management Team noted there was a report scheduled to go to the Audit Committee in August. | | |

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| 8. | Date of next meeting | | |
| | The next Management Team meeting will be held on: Tuesday 23 June 2015. Apologies: None <i>Please give your apologies to Joy Webber (x1606)</i> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 23 JUNE 2015
 IN AUDIT SCOTLAND'S OFFICES AT 110 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Russell Frith
 Fraser McKinlay
 Fiona Kordiak
 Joy Webber (Minutes)

Apologies: None

In attendance: Martin Walker *item 2*
 Anne Cairns *item 3*

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| 1. | Minutes | | |
| | The draft minutes dated 16 June 2015, were approved as accurate record of the meeting. | | |
| Becoming World Class | | | |
| 2. | Making a Difference | | |
| | <p>Martin Walker joined the meeting.</p> <p>Business Plan and Priorities 2015/16</p> <p>Martin Walker introduced the report on Business Plan and Priorities Review 2015/16, which had been previously circulated.</p> <p>Martin invited Management Team to reflect on the 2014/15 performance and review and discuss the priorities and business plans for 2015/16 for the respective business groups.</p> <p>Management Team discussed each in turn.</p> <p>(a) Audit Services Group</p> <p>Fiona Kordiak highlighted the impact of more joint working and the benefits that had brought to the team, building resilience, capacity and shared risks. Fiona discussed the importance of resource planning ahead of the next procurement round.</p> <p>(b) Audit Strategy</p> <p>Russell Frith provided an overview of the past year, highlighting the amount of technical work delivered on time and recognising the quality of that work. In terms of fees</p> | | |

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| | <p>and procurement Russell reflected on the need to invest time and resource at the outset.</p> <p>Looking ahead there would be focus on driving the corporate budget to achieve overall improved financial management, more joint working and engagement with other business groups.</p> <p>(c) Corporate Services</p> <p>Diane McGiffen reflected on the number of projects led and/or supported by Corporate Services, recognising the volume of work undertaken and the stretch on the team generally.</p> <p>Focus remained on supporting the forthcoming property move and other project work.</p> <p>(d) Performance Audit and Best Value</p> <p>Fraser McKinlay provided an overview of the past year highlighting the amount of work delivered and development of the team. The challenge on resource and underspend of the consultancy budget had resulted in less progress on development work but plans were already in place to take this forward in the year ahead.</p> <p>Looking forward, it was recognised there would be more section 22 reports and the allocation of resource, skills and budget was being actively managed.</p> <p>Following discussion, Management Team reflected on the amount achieved in the past year taking account of the referendum, the increase in reporting and engagement, and designing and developing our vision for world class audit.</p> <p>During detailed discussion, Management Team considered some of the key priorities for the year ahead to include developing the budget process and strategy to reduce the cost of audit, digital and IT audit, continued one organisational working, more innovative resource planning and closer engagement with Parliament, MSPs and other audit agencies.</p> <p>Following discussion, Management Team thanked Martin for the report and discussion.</p> <p>Martin Walker left the meeting.</p> | | |
| 3. | <p>Securing World Class Audit</p> <p>Anne Cairns joined the meeting.</p> <p>(a) Benefit Performance Audit Annual Report</p> | | |

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| | <p>Anne Cairns introduced the Benefit Performance Audit Annual Report, a copy of which had been previously circulated.</p> <p>Anne invited Management Team to note the outcome of Audit Scotland's benefit performance audit work during 2014/15 on Scottish councils' housing benefit services together with an update on the UK government's welfare reform agenda.</p> <p>Management Team noted the report had been presented to the Accounts Commission on 11 June 2015.</p> <p>During discussion, Management Team noted the Chair of the Accounts Commission had committed to send the report to council Chief Executives and the Chairs of council audit committees.</p> <p>Following discussion, Management Team acknowledged the impact of the report and welcomed the opportunity to identify where the team could add value in this area to drive up performance ahead of April 2016 when all Scottish councils will have residents claiming Universal Credit.</p> <p>Anne Cairns left the meeting.</p> | | |
| Standing Items | | | |
| 4. | Draft Management Team Agenda: 21 July 2015 | | |
| | <p>Management Team reviewed the proposed agenda for the meeting on 21 July 2015.</p> <p>Management Team agreed an initial discussion on the draft budget would be useful on 28 July 2015.</p> | D Hanlon | 28 July 2015 |
| 5. | Review of Action Tracker | | |
| | Management Team noted the action tracker. | | |
| 6. | Key messages to colleagues | | |
| | - Business Plan and Priorities 2015/16 | | |
| 7. | AOB | | |
| | - Ethics Russell advised of recruitment for interim Head of Internal Audit at Scottish Government. | | |
| 8. | Date of next meeting | | |
| | The next Management Team meeting will be held on: | | |

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| | <p>Tuesday 21 July 2015.</p> <p>Apologies: None</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |
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**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 21 JULY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Russell Frith
 Fraser McKinlay
 Fiona Kordiak
 Lorna McEwan (Minutes)

Apologies: None

In attendance: Martin Walker and Claire Sweeney *item 2*
 James Gillies *item 3*
 Martin Walker, David Henning and David McGurk *item 4*
 Martin Walker and Alex Devlin *items 5, 6, 7 and 8*

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| 1. | Minutes | | |
| | The draft minutes dated 23 June 2015, were approved as accurate record of the meeting. | | |
| Management Team approved the recommendation to reorder items on the agenda | | | |
| 2. | Making a Difference | | |
| | <p>Martin Walker and Claire Sweeney joined the meeting.</p> <p>Workstream Scope</p> <p>Martin Walker introduced the draft report on Improvement Workstream Scope, which had been previously circulated.</p> <p>Martin highlighted the objectives and priorities illustrated in the report and invited Management Team to reflect and discuss the document.</p> <p>Management Team welcomed sight of the report and following discussion it was agreed that the all AD group would be asked to comment on the document. Martin and Claire agreed to make minor amendments and additions to the document. They also agreed to undertake additional work with staff to bring the strands together and to refresh the respective ishare page.</p> <p>Martin Walker and Claire Sweeney left the meeting.</p> | M Walker / C Sweeney | |
| 3. | <p>Communications Digest</p> <p>James Gillies joined the meeting.</p> <p>James Gillies introduced the report on Communications</p> | | |

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| | <p>Digest, which had been previously circulated.</p> <p>Management Team welcomed the report and a discussion on current issues followed..</p> <p>James Gillies left the meeting.</p> | | |
| 4. | Making a Difference | | |
| | <p>Martin Walker, David Henning and David McGurk joined the meeting</p> <p>Draft Information Services Strategy</p> <p>David Henning introduced the draft Information Services strategy, which had been previously circulated.</p> <p>David explained that the draft strategy proposed two main objectives; resilience and innovation and identified the principles to support the delivery of these objectives. He also provided a detailed programme of work for the next three years.</p> <p>Management Team welcomed sight of the report and a discussion followed. Fiona Kordiak highlighted that connectivity issues at fixed audit sites had now escalated to 'red' status on the ASG risk register and a discussion followed in this respect. David McGurk advised of work underway and it was agreed that connectivity and resilience are priority considerations. It was agreed that developing more flexible approaches to working eg location, might help alleviate this issue to some extent and an opportunity to make beneficial adjustments would be possible with the new appointment round.</p> <p>Those present recognised the importance of appropriate tools to allow staff to upskill following the implementation of new software packages.</p> <p>It was agreed that David Henning would now revise the draft document to link more closely to the corporate plan and objectives and propose a budget alongside the strategy.</p> <p>Audit Intelligence – Project Initiation Document</p> <p>Martin Walker introduced the Project initiation for the first phase of the Audit Intelligence Project, which had been previously circulated.</p> <p>Martin highlighted the aims and objectives of the project along with the proposal to develop the Audit Intelligence Solution (AIS) by providing analytical services for the</p> | D Henning | |

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| | <p>'Changing Models of Health and Social Care' performance audit. It was agreed that two ASG audits would also be used as a trial.</p> <p>A discussion followed on data analytics and computer audit tools and it was agreed that some clarity was needed in this respect.</p> <p>On a separate matter, Management Team noted an external temporary risk to recovery site backup means recovery of our systems would be outwith the recovery time of four hours and more likely 24 hours.</p> <p>David McGurk advised of the work underway to resolve resilience and would notify MT of progress.</p> <p>Management Team acknowledged and appreciated the report.</p> <p>David Henning and David McGurk left the meeting.</p> | D McGurk | 27 July 2015 |
| 5. | <p>Alex Devlin joined the meeting.</p> <p>Annual review of Corporate Governance Policies and Codes of Conduct</p> <p>Martin Walker introduced the draft Board report on the annual review of Corporate Governance Policies and Codes of Conduct, a copy of which had been previously circulated.</p> <p>Management Team noted that minor amendments were required to the Financial regulations, Scheme of Delegation and the members' and staff Codes of Conduct.</p> <p>Following discussion it was agreed that the 'On Board' report would be considered by Management Team in August, prior to circulation to the Board.</p> | D McGiffen | August 2015 |
| 6. | <p>Whistleblowing and Counter Fraud Policies Review</p> <p>Alex Devlin introduced the review of Whistleblowing and counter fraud policies report, which had been previously circulated.</p> <p>Following discussion Management Team approved submission of the report and attachments to the Audit Committee for their meeting on 19 August 2015.</p> | | |
| 7. | <p>Governance of Corporate Policies</p> <p>Alex Devlin introduced the report which invited Management Team to consider the process for approving and re-approving corporate policies.</p> | | |

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| | <p>Following discussion it was agreed that documents would be merged and / or removed from the annex and that Alex would be responsible for general housekeeping, safeguarding and making recommendations to Management Team on a yearly basis in this respect.</p> | A Devlin | ongoing |
| 8. | <p>Internal Audit Recommendations – Progress Report</p> <p>Alex Devlin introduced the report which sought to provide Management Team with an update on progress towards the implementation of 2013/14 and 2014/15 internal audit report recommendations.</p> <p>Alex highlighted the progress made to date and pointed out that work was on-going.</p> <p>A discussion followed on the recording of deletion of File 01 records.</p> <p>Management Team thanked Alex for his very informative report.</p> <p>Martin Walker and Alex Devlin left the meeting.</p> | | |
| 9. | Draft Management Team Agenda: 28 July 2015 | | |
| | <p>Management Team reviewed and approved the proposed agenda for the meeting on 28 July 2015, with the addition of the Securing the Audit item.</p> | | |
| 10. | AOB | | |
| | <p>New devolved powers – The Scottish Parliament</p> <p>Following discussion it was agreed that 3 separate conversations would take place with Scottish Government Officers around new devolved powers, communication and learning and development. Colleagues agreed to email proposed attendees for each meeting.</p> <p>Code of Audit Practice – Consultation / Engagement</p> <p>Management Team noted the update provided by Russell Frith and further noted that a meeting would take place between CG, DS, RH, GS prior to 13 August to consider a draft Code of Practice for wider consultation.</p> <p>Ethical Standards – Board Members</p> <p>A discussion followed on conflicts on Board and audited body roles and Russell agreed to amend the report prior to</p> | <p>ALL</p> <p>C Gardner</p> <p>R Frith</p> | <p>ASAP</p> <p>August 2015</p> <p>ASAP</p> |

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| | <p>consideration by the Board.</p> <p>It was further agreed that Ian Leitch would be invited to a future meeting of Management Team.</p> <p>Procurement</p> <p>A discussion followed on the evaluation of our tendering process and Russell agreed to meet with Heather Logan and Ian Leitch in this respect.</p> | <p>D McGiffen</p> <p>R Frith</p> | <p>ASAP</p> <p>ASAP</p> |
| 11. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 28 July 2015.</p> <p>Apologies: Caroline Gardner, Fraser McKinlay</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 28 JULY 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Russell Frith
 Fraser McKinlay
 Fiona Kordiak
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *item 2*
 Martin Walker *items 3 and 4*
 Owen Smith and Zahrah Mahmood *item 6(a)*
 Carol Hislop *item 7(a)*
 Claire Sweeney *items 7(b) and 7(c)*

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| 1. | Minutes | | |
| | The draft minutes dated 21 July 2015, were discussed and Management Team agreed the addition of a further review under item 7 and some minor amendments. | J Webber | Jul 2015 |
| 2. | Budget Update | | |
| | <p>David Hanlon joined the meeting.</p> <p>Diane McGiffen introduced the discussion of the initial analysis carried out by David Hanlon in preparation of the 2016/17 Draft Budget submission. Diane invited David to talk Management Team through the key areas.</p> <p>David tabled a paper which provided high level detail around the key assumptions for discussion, including the proposed initial workforce plan, anticipated cost pressures and next steps.</p> <p>During detailed discussion, Management Team agreed additional scenario planning was required in relation to our budget strategy for the next three years and analysis of the outturn from last year to this year's budget would assist.</p> <p>Management Team welcomed the opportunity to discuss the analysis ahead of the draft budget submission which would be discussed at Management Team meeting next week.</p> <p>Diane McGiffen invited Russell Frith to summarise the paper Financial impact of audit procurement.</p> | D Hanlon | 4 Aug 2015 |

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| | <p>Russell advised Management Team the paper set out details of the current discounts which had been achieved from the previous tender exercise. He invited Management Team to consider the actions taken to maximise discounts offered through the new tender process.</p> <p>During detailed discussions, Management Team agreed to set out more explicitly the break even point to firms, suggested areas for expansion in the narrative including setting out more about expectations of quality and the need to monitor cost efficiencies.</p> <p>Russell then introduced the paper Budget briefing - above indicative fees and cost of firms, which set out details of the key contributors to driving Audit Scotland's underspend in the last few years being ASG earning income above budget and the excess of additional direct costs of delivery, and firms earning above indicative levels without Audit Scotland incurring the same costs.</p> <p>Management Team discussed the actions taken in relation to the 2015/16 budget and the proposed further actions for the 2016/17 budget.</p> <p>Following detailed discussion, Russell agreed to further develop the report regarding fee strategy for Management Team next week.</p> <p>David Hanlon left the meeting.</p> | <p>R Frith</p> | <p>4 Aug 2015</p> |
| <p>3.</p> | <p>Review of Risk Register</p> | | |
| | <p>Martin Walker joined the meeting.</p> <p>Martin Walker introduced the Review of Risk Register report, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to consider and comment on the additional risks identified, the updates to existing actions and monitoring controls.</p> <p>Management Team noted the refinement to the reporting of the risks to reflect the previous risk sessions and the inclusion of a one page summary of current risks. Management Team considered the risk register, providing additional comments, actions and the combining of risks 11 and 12.</p> <p>Turning to the new risk, Management Team considered the issues relating to connectivity and access to core systems for some ASG staff. During detailed discussion, Management Team welcomed the actions already being taken by ISG and how issues would continue to be</p> | | |

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| | <p>monitored, logged and resolved including the possibility of a dedicated server for core systems. In terms of communicating developments, it was agreed David Henning would email staff and use his blog.</p> <p>Management Team agreed they would consider a further update of the risk register at the end of August.</p> | M Walker | Aug 2015 |
| 4. | Risk Interrogation | | |
| | <p>Martin Walker introduced the Risk Interrogation report, which had been previously circulated.</p> <p>Management Team reviewed the risk interrogation on Failure to operate as one organisation.</p> <p>During detailed discussion, Management Team recognised there had been a great deal of activity which demonstrated a clear commitment and suggested including further detail on how far we had come and the next phase which would link in with clients and firms.</p> <p>Management Team welcomed the opportunity to discuss the report in advance of its submission to the Audit Committee.</p> <p>Martin Walker left the meeting.</p> | | |
| 5. | Draft Agenda Accounts Commission: 13 August 2015 | | |
| | <p>Fraser McKinlay provided an overview of the draft Agenda for the Accounts Commission meeting on 13 August 2014, a copy of which had been previously circulated.</p> <p>Management Team considered the proposed agenda and noted Russell Frith would be submitting the Annual Report on Transparency and Quality.</p> | | |
| Becoming World Class | | | |
| 6. | Securing the Audit | | |
| | <p>Owen Smith and Zahrah Mahmood joined the meeting.</p> <p>(a) Code of Audit Practice</p> <p>Russell Frith introduced the report on Code of Audit Practice, a copy of which had been previously circulated, before inviting Owen Smith to provide further detail.</p> <p>Owen invited Management Team to consider the</p> | | |

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| | Management Team reviewed and approved the proposed agenda for the meeting on 4 August 2015. | | |
| 9. | Key messages | | |
| | <ul style="list-style-type: none"> - PSQI Update - Maximising the impact of our work | | |
| 10. | AOB | | |
| | <ul style="list-style-type: none"> - Next Leadership Group Meeting <p>Management Team discussed the draft agenda and taking account of apologies noted agreed the meeting should be cancelled.</p> | | |
| 11. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 4 August 2015.</p> <p>Apologies: Caroline Gardner, Fraser McKinlay</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
MINUTE OF MEETING HELD ON 4 AUGUST 2015
IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
Russell Frith
Fiona Kordiak
Joy Webber (Minutes)

Apologies: Caroline Gardner
Fraser McKinlay

In attendance: James Gillies and David McConnell *items 2 and 3*
Martin Walker and Ian Metcalfe *item 4*
David Hanlon *items 4, 5 and 6*
Alex Devlin *item 7, 8 and 9*
Mark Roberts *item 9*

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| 1. | Minutes | | |
| | The draft minutes dated 28 July 2015, were discussed and Management Team agreed some minor amendments. | J Webber | Aug 2015 |
| 2. | Communications Digest | | |
| | <p>James Gillies and David McConnell joined the meeting.</p> <p>James Gillies introduced the Communications Digest report, a copy of which had been previously circulated.</p> <p>James invited Management Team to note the main highlights and key issues and welcomed any comments.</p> <p>Management Team welcomed the report and noted both the Finance Committee's report on Scotland's Fiscal Framework and the Public Audit Committee's scrutiny response to audit and accountability of new financial powers.</p> <p>During detailed discussion, Management Team agreed they would like to see an overview of the potential pension liability on the public purse and Fiona agreed to liaise with the pensions group to provide a cross sector review.</p> <p>Management Team welcomed the report and invited James to update the references to the agenda for the Accounts Commission before it was shared more widely.</p> | <p>F Kordiak</p> <p>J Gillies</p> | <p>Aug 2015</p> <p>Aug 2015</p> |
| 3. | Hotlist of Emerging Audit Risks | | |
| | David McConnell introduced the Hotlist of Emerging Audit | | |

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| | <p>Risks, which had been previously circulated.</p> <p>David invited Management Team to approve the proposed hotlist of emerging/developing audit risks and the watch list and note the work underway and status of each item.</p> <p>Management Team welcomed David to the meeting. Turning to the report, Management Team discussed each of the additional four risks and noted the updates to the remaining items.</p> <p>James Gillies and David McConnell left the meeting.</p> | | |
| 4. | Q1 Corporate Performance Report 2015/16 | | |
| | <p>Martin Walker, Ian Metcalfe and David Hanlon joined the meeting.</p> <p>Martin Walker introduced the Q1 Performance Report 2015/16, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to review the level of good performance overall, the proposed change to the rating of three objectives from green to amber to take account of raising the bar in our ambition to becoming a world class organisation, and requested approval to submit the report to the Board for its consideration on 19 August 2015.</p> <p>During detailed discussion, Management Team welcomed the assurance provided in relation to overall Q1 performance while recognising and agreeing the need to develop KPIs in relation to our Becoming World Class aspirations going forward. Management Team provided additional comments for inclusion in the report and flagged the need to link the network downtime as identified and reported within the risk register.</p> <p>Management Team welcomed the continued development of performance reporting and approved the submission of the report to the Board subject to the observations and comments provided.</p> <p>Martin Walker and Ian Metcalfe left the meeting.</p> | | |
| 5. | Q1 Financial Report – 3 months to June 2015 | | |
| | <p>David Hanlon introduced the Financial Results – 3 Months to June 2015 report, which had been previously circulated.</p> <p>David invited Management Team to note the results reported and approve the report to the Audit Scotland Board on 19 August 2015.</p> | | |

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| | <p>During detailed discussion, Management Team noted the financial results were in line with forecast, the underspend reported largely relating to staffing for the quarter. David agreed to provide a comparison against Q1 results for 2014/15.</p> <p>Management Team welcomed the report.</p> | D Hanlon | Aug 2015 |
| 6. | 2016/17 Initial Budget Proposal | | |
| | <p>David Hanlon introduced the 2016/17 Initial Budget Proposal report, a copy of which had been previously circulated.</p> <p>David invited Management Team to note the initial draft budget submission and discuss the cost projections for the following three years to 2019/2010.</p> <p>Management Team welcomed the report and supporting schedules and noted the assurance provided that the proposed budget was in line with expectations.</p> <p>During detailed discussion, Management Team noted the increase in budget for travel and subsistence in light of the first year of new audit appointments in 2016 but suggested increased scrutiny around good travel plans and our carbon footprint should help to bring this down. Fiona Kordiak would seek assurance around planning for EAFA audits.</p> <p>Management Team agreed the lowering of the Management Consultancy budget and welcomed the anticipated savings on property following the move to West Port.</p> <p>Following detailed discussions on establishment projections and assumption, learning and development and BABO, David Hanlon would finalise capital expenditure projections and complete sector analysis for presenting the proposed fee model to the Board.</p> <p>Management Team welcomed the report and noted the Workforce Plan report was scheduled to be discussed next week, with a further review of the draft budget scheduled for 18 August 2015.</p> <p>David Hanlon and Angela Cullen left the meeting.</p> | <p>F Kordiak</p> <p>D Hanlon</p> | <p>Aug 2015</p> <p>Aug 2015</p> |
| 7. | Business Continuity Arrangements Update | | |
| | <p>Alex Devlin and Mark Roberts joined the meeting.</p> <p>Alex Devlin introduced the Business Continuity</p> | | |

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| | <p>Arrangements – Update report, which had been previously circulated.</p> <p>Alex invited Management Team to note the update before submission to the Audit Committee at their meeting on 19 August 2015.</p> <p>Management Team noted the testing undertaken in March 2015 which identified a few issues, all of which are now or have been addressed.</p> <p>Management Team welcomed the report and the improvements made to our disaster recovery arrangements.</p> | | |
| 8. | Data Incident/Loss | | |
| | <p>Alex Devlin introduced the report on Data Incident/Loss, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the three incidents reported, two of which related to equipment and one to personal information.</p> <p>Following discussion on the incidents, Management Team noted the report.</p> | | |
| 9. | On Board Consultation | | |
| | <p>Mark Roberts and Alex Devlin introduced the On Board Guidance report, which had been previously circulated.</p> <p>Mark invited Management Team to note the key changes to the guidance issued by the Scottish Government and how they may apply for non-executive members.</p> <p>Management Team discussed the guidance and agreed with the principals of good governance. Alex would review the practicalities of implementing the proposed changes for consideration by the Board at its meeting in September.</p> <p>Alex Devlin and Mark Roberts left the meeting.</p> | M Roberts/ A Devlin | Sept 2015 |
| Becoming World Class | | | |
| 10. | Securing the Audit | | |
| | <p>(a) Application of Ethical Standards for Auditors to the Role of the Audit Scotland Board</p> <p>Russell Frith introduced the report on Application of Ethical Standards for Auditors to the Role of the Audit Scotland Board, a copy of which had been previously circulated.</p> | | |

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| | <p>Russell invited Management Team to consider the revised report following engagement and feedback from Board members.</p> <p>Management Team considered the potential implications of complying with the ethical standards in terms of Audit Scotland as an audit firm, taking account of our commitment to Public Audit in Scotland and acknowledging the stance of other UK audit agencies.</p> <p>Following discussion, Management Team welcomed the update.</p> | | |
| 11. | Draft Management Team Agenda: 11 August 2015 | | |
| | Management Team reviewed and approved the proposed agenda for the meeting on 11 August 2015. | | |
| 12. | Key messages | | |
| | <ul style="list-style-type: none"> - Communications Digest - Q1 Reporting | | |
| 13. | AOB | | |
| | <ul style="list-style-type: none"> - Procurement Russell Frith provided an update on procurement his intention to provide an update to the Board at its meeting in August. Management Team agreed with the proposal to provide the Board with an update. - Partners Meeting Russell Frith invited Management Team to comment on the proposed discussion items for the agenda. Following discussion, Management Team agreed they would welcome a discussion on devolution in England, the fiscal framework and an update on the draft Code of Audit Practice. | <p>R Frith</p> <p>R Frith</p> | <p>Aug 2015</p> <p>Aug 2015</p> |
| 14. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 11 August 2015.</p> <p>Apologies: Caroline Gardner</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 11 AUGUST 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fiona Kordiak
 Fraser McKinlay
 Joy Webber (Minutes)

Apologies: Caroline Gardner

In attendance: Martin Walker *items 2 and 4 (a)*
 Alex Devlin *items 2, 6 (a) and 6 (b)*
 David Hanlon *item 3*
 Lynn Scott *item 4 (a)*
 David Blattman *items 4 (a), 4 (b) and 4 (c)*
 Paul Reilly *items 5 (a) and 5 (b)*
 Claire Sweeney *item 6 (c)*

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| 1. | Minutes | | |
| | The draft minutes dated 4 August 2015, were discussed and approved as an accurate record of the meeting. | | |
| 2. | Draft Internal Audit Plan 2015/16 | | |
| | <p>Martin Walker and Alex Devlin joined the meeting.</p> <p>Martin Walker introduced the Draft Internal Audit Plan 2015/16 report, which had been previously circulated.</p> <p>Martin invited Management Team to consider and agree the proposed internal audit plan for 2015/16.</p> <p>During detailed discussions, Management Team reflected positively on the initial meetings held with Claire Robertson of bdo. Turning to the draft plan, Management Team agreed the reallocation of days allocated for Human Resource and to revisit the timing of the Key Financial Controls to accommodate the procurement process.</p> <p>Following discussion, Management Team welcomed the report and Martin would liaise with Claire Robertson to provide an updated plan for consideration by the Audit Committee at its meeting on 19 August 2015.</p> <p>Martin Walker and Alex Devlin left the meeting.</p> | M Walker | Aug 2015 |
| 3. | Draft Budget 2016/17 | | |

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| | <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the report 2016/17 Budget, a copy of which had been previously circulated.</p> <p>David invited Management Team to note the updated on the draft budget submission, together with the cost projections for the three following years which took account of previous discussions with Management Team; a small increase in vacancy factor, reductions in consultancy provision and the application of a cap on learning and development.</p> <p>David tabled two further schedules which provided detail on potential cumulative savings through to 2020 and possible fee scenarios.</p> <p>During detailed discussion, Management Team welcomed the overall reduction in the budget while delivering more work and absorbing additional cost pressures.</p> <p>David Hanlon left the meeting.</p> | | |
| Becoming World Class | | | |
| 4. | Building a Better Organisation | | |
| | <p>Martin Walker, David Blattman and Lynn Scott joined the meeting.</p> <p>(a) Business Support Services Review</p> <p>Martin Walker introduced the report on Business Support Services – Project Scope, a copy of which had been previously circulated.</p> <p>Martin and Lynn Scott invited Management Team to consider and approve the project scope for a review of business support services in Audit Scotland.</p> <p>During detailed discussion, Management Team welcomed the report and provided feedback. Management Team reflected on what had already been achieved and the need to set out more clearly the aims and objectives of this post-implementation review.</p> <p>Martin and Lynn agreed to build in additional time in light of the forthcoming office move.</p> <p>Martin Walker and Lynn Scott left the meeting.</p> | | |

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| | <p>(b) Draft 2016/17 Workforce Plan</p> <p>Rachel Parker joined the meeting.</p> <p>David Blattman introduced the Draft 2016/17 Workforce Plan report, which had been previously circulated.</p> <p>David invited Management Team to note the draft Workforce Plan had been prepared in conjunction with the draft Budget 2016/17 report which had been considered earlier in the meeting.</p> <p>Management Team welcomed the shorter, more concise report and agreed to revert with any drafting comments direct to Rachel Parker.</p> <p>Following discussion, Management Team agreed the overall plan which may change taking account of any adjustment in the proposed budget.</p> <p>(c) VERA Reconciliation Report</p> <p>David Blattman introduced the VERA Reconciliation report, a copy of which had been previously circulated.</p> <p>David invited Management Team to note and comment on the outcome of the review undertaken by the HR & OD of the operation, outturn, savings and workforce resource levels for all years of the 2014 VERA scheme.</p> <p>Management Team welcomed the review and requested the information be updated to show performance in respect of our financial year before submission to Remco for its consideration.</p> <p>David Blattman and Rachel Parker left the meeting.</p> | <p>ALL</p> | <p>Aug 2015</p> |
| 5. | Public Audit in Scotland | | |
| | <p>(a) Accounts Commission Strategy</p> <p>Paul Reilly joined the meeting.</p> <p>Paul Reilly introduced the Accounts Commission Strategy report, which had been previously circulated.</p> <p>Paul invited Management Team to comment on the proposed strategy prior to its consideration by the</p> | | |

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| | <p>Accounts Commission and its publication on 3 September 2015.</p> <p>Management Team welcomed the report and the opportunity to provide comments which related to enhancing the layout of the document together with additional content to include core performance, financial audit and integrated boards.</p> <p>(b) 40 Years of the Commission</p> <p>Paul Reilly introduced the report 40 Years of the Commission, a copy of which had been previously circulated.</p> <p>Paul invited Management Team to note the proposals to mark 40 years of the Commission.</p> <p>Management Team considered the proposals and agreed a small civic event in the new office would strike the right balance.</p> <p>Paul Reilly left the meeting.</p> | | |
| 6. | Making a Difference | | |
| | <p>(a) Complaints Handling Review</p> <p>Alex Devlin joined the meeting.</p> <p>Alex Devlin introduced the report Complaints Handling Review, which had been previously circulated.</p> <p>Alex invited Management Team to recommend submission of our public facing complaints booklet to the Board for approval.</p> <p>Management Team considered the booklet and subject to amendment agreed its submission to the Board for approval.</p> <p>Diane McGiffen offered to write to Jim Martin at the Ombudsman to advise of the review and proposed training.</p> <p>Alex agreed to liaise with the Communications team to highlight the changes which will be required to our website following our move to 102 West Port.</p> <p>(b) FOISA Consultation Response</p> | <p>D McGiffen</p> <p>A Devlin</p> | <p>Aug 2015</p> <p>Aug 2015</p> |

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| | <p>Alex Devlin introduced the report FOISA Consultation Response, which had been previously circulated.</p> <p>Alex invited Management Team to discuss and approve the response to the Scottish Government's consultation on extending the Freedom of Information (Scotland) Act 2002 (FOISA).</p> <p>During discussion, Management Team agreed the requirements should be extended to include firms in supporting public interest and transparency of audit.</p> <p>Following discussion, Management Team invited Alex to seek input from Paul Reilly and agreed this would be added to the forthcoming agenda for the Audit Firms Meeting.</p> <p>Alex Devlin left the meeting.</p> <p>(c) Making a Difference Programme Update</p> <p>Claire Sweeney joined the meeting.</p> <p>Claire Sweeney presented this second update on progress of the Making a Difference Programme.</p> <p>Management Team noted the achievements made so far, particularly in terms of engagement with staff and the apparent appetite to utilise data in more innovative ways.</p> <p>Following detailed discussion, Management Team welcomed the update and agreed Claire would present at the all sector planning meeting in October.</p> <p>Claire Sweeney left the meeting.</p> | <p>A Devlin R Frith</p> | <p>Aug 2015 Aug 2015</p> |
| 7. | Draft Management Team Agenda: 18 August 2015 | | |
| | Management Team reviewed and approved the proposed agenda for the meeting on 18 August 2015. | | |
| 8. | Key messages | | |
| | <ul style="list-style-type: none"> - Internal Audit Plan - Accounts Commission - Complaints Handling - Making a Difference | | |
| 9. | AOB | | |

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| | There was no further business. | | |
| 10. | Date of next meeting | | |
| | The next Management Team meeting will be held on: Tuesday 18 August 2015. Apologies: None <i>Please give your apologies to Joy Webber (x1606)</i> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 18 AUGUST 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Russell Frith
 Fiona Kordiak
 Fraser McKinlay
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *items 2 and 3 (d)*
 Kirsty Gibbins and Rikki Young *item 3 (a)*
 James Gillies *item 3 (b)*
 David Blattman *item 3 (c)*
 David McConnell and Laurence Slavin *item 3 (e)*

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| 1. | Minutes | | |
| | <p>Russell Frith opened the meeting as Chair in the absence of Diane McGiffen, who would join the meeting at 9.30am.</p> <p>The draft minutes dated 11 August 2015, were discussed and approved as an accurate record of the meeting.</p> <p>Management Team agreed additional actions as follows:-</p> <p>After further consideration of the draft Internal Audit Plan 2015/16, Management Team agreed a review of the VERA scheme should be considered by Martin Walker in liaison with David Blattman and David Hanlon.</p> <p>In relation to Item 4, Business Support Services Review, Management Team clarified they would like the updated report to be circulated for information.</p> | <p>M Walker</p> <p>M Walker/ L Scott</p> | <p>Aug 2015</p> <p>Aug 2015</p> |
| 2. | Further Review of 2016/17 Budget | | |
| | <p>Diane McGiffen and David Hanlon joined the meeting.</p> <p>David Hanlon introduced the 2016/17 Budget report, which had been previously circulated.</p> <p>David invited Management Team to consider the sector cost analysis of the draft 2016/17 budget and the impact on fee movements.</p> <p>During detailed discussions, Management Team considered how the updated budget was proposed to be met through fees and from SCPA funding, the anticipated real price</p> | | |

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| | <p>reduction in audit fees and the allocation and recovery of central costs across the sectors.</p> <p>Following discussion, David agreed to return to Management Team next week with remodelling proposals for the recovery of central charges and further analysis on a possible Spring budget review in light of pension changes.</p> <p>Management Team welcomed the report.</p> <p>David Hanlon left the meeting.</p> | <p>D Hanlon</p> | <p>Aug 2015</p> |
| <p>3.</p> | <p>Building a Better Organisation</p> | | |
| | <p>(a) New Guidelines on Staff Social Media Use</p> <p>Kirsty Gibbins and Rikki Young joined the meeting.</p> <p>Kirsty Gibbins and Rikki Young introduced the report on Guidelines on Staff Social Media Use, a copy of which had been previously circulated.</p> <p>Kirsty and Rikki invited Management Team to comment on and approve the proposed guidance which reflected a more flexible approach than current practice and welcomed input on the #FreeTheFeed: Action plan.</p> <p>During detailed discussion, Management Team agreed with adopting a less stringent policy for accessing and using social media, recognising the need for use to be reviewed annually by KITGG, and for content referring to Audit Scotland being coordinated through the Communications team.</p> <p>Management Team welcomed the approach and suggested the guidance be revisited to adopt a more principles approach to include helpful tips similar to that share at the recent knowledge cafes.</p> <p>Kirsty Gibbins and Rikki Young left the meeting.</p> <p>(b) Graphic Design Proposal</p> <p>James Gillies joined the meeting.</p> <p>James Gillies introduced the Graphic Design Proposal report, which had previously been circulated.</p> <p>James invited Management Team to approve the</p> | <p>K Gibbins/ R Young</p> | <p>Aug 2015</p> |

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| | <p>establishment increase of one full time equivalent taking account of the changing nature and importance of the support by the graphic team and the continuing increase in demand.</p> <p>Following detailed discussion, Management Team agreed the increase to establishment subject to a revised proposal for funding in conjunction with the strategy for the Communications team given current and forthcoming developments.</p> <p>James Gillies left the meeting.</p> <p>(c) Creating World Class Public Sector Audit in Scotland – Next Steps for Audit Scotland-s HR & OD Team</p> <p>David Blattman joined the meeting.</p> <p>David Blattman introduced the report on Creating World Class Public Sector Audit in Scotland – Next Steps for Audit Scotland’s HR & OD Team.</p> <p>David invited Management Team to note the vision and supporting strategy for the development of the HR & OD Team and approve the proposal for an adjustment to resource of the HR & OD Team in supporting Audit Scotland.</p> <p>During detailed discussion, Management Team welcomed the innovative approach to the deployment of resource within the team and, receiving assurance on the sustainability of the proposed model approved the proposal as set out.</p> <p>David Blattman left the meeting</p> <p>(d) Temporary BSS Resourcing</p> <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the Temporary BSS Resourcing report, which had been previously circulated.</p> <p>David invited Management Team to consider and approve the temporary increase in establishment in Facilities to support the forthcoming move to 102 West Port, Edinburgh.</p> <p>Following discussion, Management Team approved the temporary increase to establishment to support</p> | <p>J Gillies/ D McGiffen</p> | <p>Sept 2015</p> |
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| | <p>the additional work relating to dilapidations and snagging issues following the move.</p> <p>David Hanlon left the meeting</p> <p>(e) Working with Other Countries Strategy and Resourcing</p> <p>David McConnell and Laurence Slavin joined the meeting.</p> <p>David McConnell introduced the report Working with Other Countries Strategy and Resourcing, which had been previously circulated.</p> <p>David invited Management Team to consider and comment on the proposed options on the strategy as suggested by the International Steering Group.</p> <p>During detailed discussion, Management Team recognised the reduction in the level of international work coming through and agreed there was a combination of options which could take the strategy forward.</p> <p>Following discussion, Management Team invited David and Laurence to analyse data and the impact of international work, consider joint working opportunities or projects with other audit agencies and firms and develop links with the Making a Difference workstream.</p> <p>David McConnell and Laurence Slavin left the meeting.</p> | | |
| | | DMcConnell / L Slavin | Sept 2015 |
| Standing Items | | | |
| 4. | Draft Management Team Agenda: 25 August 2015 | | |
| | Management Team discussed and agreed a revised agenda for the meeting on 25 August 2015. | | |
| 5. | Key messages | | |
| | - Social Media | | |
| 6. | AOB | | |
| | There was no further business. | | |

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| 7. | Date of next meeting | | |
| | The next Management Team meeting will be held on: Tuesday 25 August 2015. Apologies: None <i>Please give your apologies to Joy Webber (x1606)</i> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 25 AUGUST 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Russell Frith
 Fiona Kordiak
 Fraser McKinlay
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *items 2 and 4 (a)*

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| 1. | Minutes | | |
| | The draft minutes dated 18 August 2015, were discussed and approved as an accurate record of the meeting. | | |
| 2. | Draft Budget 2016/17 | | |
| | <p>David Hanlon joined the meeting.</p> <p>Further to the discussion at the meeting of Management Team last week, David Hanlon tabled two schedules which set out the proposed remodelling options. David invited Management Team to consider the modelling options which included contingency pressures, details of the anticipated increase to fees for EAFA audit work and took account of the Board's discussion.</p> <p>During discussion, Management Team reflected on the base fee, current fixed charges and the imbalance of recovery between smaller and larger bodies. Management Team recognised pressures in the central government sector and agreed to consider options for the longer term.</p> <p>Following detailed discussion, Management Team agreed it would be useful to have a summary of the principles which had been previously discussed, together with detailed modelling of options for the agreed basis of fee to support the strategy.</p> <p>Management Team thanked David for the information.</p> <p>David Hanlon left the meeting.</p> | RFrith | Nov 2015 |

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| 3. | Accounts Commission: Draft Agenda 10 September 2015 | | |
| | <p>Fraser McKinlay introduced the report Accounts Commission: Draft Agenda 10 September 2015, a copy of which had been previously circulated.</p> <p>Management Team noted the absence of audit work on the agenda. During discussion, Management Team acknowledged the review of the minutes of the Audit Scotland Board meeting in June 2015 and the briefing by Grant Thornton on Greater Manchester Combined Authority.</p> <p>In relation to the CIPFA/SOLACE Framework Management Team agreed it would be useful for Russell Frith to meet with Douglas Sinclair, Ronnie Hinds, Graham Sharp and Caroline Gardner.</p> | JWebber | Sept 2015 |
| Becoming World Class | | | |
| 4. | <p>Building a Better Organisation</p> <p>David Hanlon joined the meeting.</p> <p>(a) 102 West Port, Edinburgh</p> <p>Diane McGiffen provided a verbal update on progress of work at 102 West Port, Edinburgh and shared two presentations which provided information on the fit-out work underway, the furniture choices made to enable agile working and the branding and visuals which had been developed.</p> <p>Fraser McKinlay advised Management Team of the forthcoming focus group workshops which would be looking at how West Port would offer different ways of working for staff and the proposed staff engagement campaign between now and the end of the year.</p> <p>Following detailed discussion, Management Team welcomed the update and the opportunity to visit the site on Friday 28 August 2015 at 3.00pm.</p> <p>David Hanlon left the meeting.</p> <p>(b) BaBO Staff Events</p> <p>Fiona Kordiak provided a verbal update on the proposed agenda and main aims for the forthcoming staff engagement sessions.</p> | | |

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| | Management Team welcomed the update and agreed | | |
| Standing Items | | | |
| 5. | Draft Management Team Agenda: 1 September 2015 | | |
| | Management Team discussed and agreed the agenda for the meeting on 1 September 2015. | | |
| 6. | Key messages | | |
| | <ul style="list-style-type: none"> - BaBO – 102 West Port - BaBO – Staff Events | | |
| 7. | AOB | | |
| | <ul style="list-style-type: none"> - Procurement – Next Steps Russell Frith provided a summary of discussions with the Board at its meeting last week and it was agreed that he, Diane McGiffen and Fiona Kordiak would meet to consider the process for demonstrating and monitoring the value for money delivered by in house teams and the procurement approach for firms. - Ethical Standards – Next Steps Russell Frith provided a summary of discussions with the Board at its meeting and Diane provided an update on her meeting with SCPB (Scottish Parliamentary Corporate Body) officials. A further update will be provided to the Board at its next meeting. | DMcGiffen | Sept 2015 |
| 8. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 1 September 2015.</p> <p>Apologies: None</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 1 SEPTEMBER 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Caroline Gardner
 Russell Frith
 Fiona Kordiak
 Fraser McKinlay
 Ian Leitch
 Joy Webber (Minutes)

Apologies: None

In attendance: James Gillies and Antony Clark **items 2 and 3**
 David Hanlon **items 4 and 5**
 Angela Canning, Sarah Pollock and Dorothy Lavery **items 6(a) and 6(b)**

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| 1. | Minutes and Welcome | | |
| | <p>The draft minutes dated 25 August 2015, were discussed and approved as an accurate record of the meeting.</p> <p>Diane McGiffen welcomed Ian Leitch, Board member and designate Chair, to the meeting.</p> | | |
| 2. | Communications Digest - September | | |
| | <p>James Gillies and Antony Clark joined the meeting.</p> <p>James Gillies introduced the Communication Digest – September report, which had been previously circulated.</p> <p>James invited Management Team to comment on the key highlights and issues flagged in this report.</p> <p>During detailed discussion, Management Team noted the public interest in relation the funding for T in the Park, GP and teacher staffing shortages, the resignation of Police Scotland's Chief Constable, Labour's new leader, Kezia Dugdale and local government lender option borrower loans</p> <p>Following discussion, Fraser agreed to liaise with the Treasury team to provide a briefing to on the funding levels involved at the next Leadership Group meeting with Audit Strategy team input.</p> <p>Management Team welcomed the report.</p> | | |
| 3. | Hotlist of Emerging Audit Risks | | |

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| | <p>Antony Clark introduced the Hotlist of Emerging Audit Risks report, a copy of which had been previously circulated.</p> <p>Antony invited Management Team to approve the hotlist of emerging audit risks and watchlist subject to any amendment.</p> <p>During detailed discussion, Management Team welcomed the opportunity to review the status of audit work underway and discuss key risks identified.</p> <p>Following discussion, Management Team thanked Antony for the update.</p> <p>James Gillies and Antony Clark left the meeting.</p> | | |
| 4. | 2016/17 Budget and Fee Options | | |
| | <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the 2016/17 Budget report and the Fee Options Discussion paper, copies of which had been previously circulated.</p> <p>David invited Management Team to consider the detailed information set out in the schedules and the summary of principles previously discussed and advise on the preferred fee option to support the fee strategy.</p> <p>During discussion, Management Team reflected on the options presented for the setting of fees for 2015/16, taking account of the forthcoming tender exercise which may result in different cost levels from the assumption of no change, and the additional work for 31 new chargeable bodies and 2 non-chargeable bodies for which the audit requirements would grow over the next 2 to 3 years.</p> <p>Following detailed consideration of the options presented, Management Team agreed to seek further work on options which involved a mix of smoothing movements between years and recognising the need to move towards balancing each sector.</p> <p>David Hanlon agreed to provide more detailed modelling to include analysis of external factors and central costs to Management Team next week which in turn would inform the Board meeting in September.</p> <p>Diane McGiffen advised Management Team of her discussion with the secretary to the SCPA relating to the process for budget submissions this year.</p> | DHanlon | 8 Sept 2015 |

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| | <p>Ian Leith advised Management Team that the Board would welcome the opportunity for a preliminary discussion at their meeting in September.</p> <p>David Hanlon left the meeting.</p> | | |
| 5. | Annual Audit Planning Conference: Draft Agenda – 5 October 2015 | | |
| | <p>Russell Frith introduced the draft agenda for the forthcoming Annual Audit Planning Conference on 5 October 2015 and invited any comments or contributions to the proposed content.</p> <p>In recognition of Ian Leitch’s first invitation to join the conference, Russell provided a summary of the format of this conference and the individual sector meetings which were scheduled each year as part of our engagement with all sector audit firms and ASG audit leads.</p> <p>Ian Leitch welcomed the overview and the opportunity to participate and Russell agreed to provide briefing notes of the subject matters to be discussed.</p> <p>Management Team discussed the draft agenda and agreed the consistent message of demonstrating the value of audit and value for public money.</p> | RFrith | Sept 2015 |
| Becoming World Class | | | |
| 6. | <p>Making a Difference</p> <p>Angela Canning, Sarah Pollock and Dorothy Lavery joined the meeting.</p> <p>(a) Correspondence – Quarter One Performance Report for 2015/16</p> <p>Fraser McKinlay introduced the team and provided an overview of their involvement in the review correspondence project.</p> <p>Angela Canning introduced the Correspondence – Quarter One Performance Report for 2015/16, which has been previously circulated.</p> <p>Angela invited Management Team to note the volume and nature of correspondence received in the period under review and the improved performance compared with the same period last year.</p> | | |

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| | <p>During detailed discussion, Management Team commented on the targets set out for acknowledgement letters and final responses but recognised and welcomed the overall progress made.</p> <p>Following discussion, Management Team noted the report.</p> <p>(b) Correspondence – Implementation of Recommendations from the Correspondence Review</p> <p>Angela Canning introduced the report Correspondence – Implementation of Recommendations from the Correspondence Review, a copy of which had been previously circulated.</p> <p>Angela invited Management Team to consider and agree the content of the correspondence policy and procedure and new investigatory process, and agree the principle of investigatory reports being made available publically once audit work has been completed.</p> <p>During detailed discussion, Management Team commented on the policy and procedure process which clarified what correspondence we will consider and welcomed the signpost for the redirection of queries, where appropriate, on our website.</p> <p>As the policy document is intended to be available both internally and publically, Management Team would prefer it to a summarised version to that presented.</p> <p>Turning to the investigatory process, Management Team welcomed the document and flagged the need to reconsider the parameters of the targets for responses which had been set.</p> <p>Following detailed discussion, Management Team recognised the progress made so far, agreed the process would continue to be monitored over the next 18 months and recognised the need to support the incoming Correspondence Manager in terms of training and developing a network.</p> <p>Management Team thanked the team for the report.</p> <p>Angela Canning, Sarah Pollock and Dorothy Lavery left</p> | | |
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| | the meeting. | | |
| Standing Items | | | |
| 7. | Draft Management Team Agenda: 8 September 2015 | | |
| | Joy Webber invited Management Team to note that she awaited confirmation of items coming to the meeting on 8 September 2015 and would circulate the agenda once received. | JWebber | Sept 2015 |
| 8. | Key messages | | |
| | <ul style="list-style-type: none"> - Annual Audit Planning Conference - Correspondence: Q1 Performance and Developments | | |
| 9. | AOB | | |
| | <p>There was no further business.</p> <p>Ian Leitch thanked Management Team for the invitation to join the meeting and in light of his forthcoming role as Chair of the Board shared both his admiration for the reputation of Audit Scotland and his vision for greater transparency of the Board and its activity.</p> | | |
| 10. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 8 September 2015.</p> <p>Apologies: None</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
MINUTE OF MEETING HELD ON 8 SEPTEMBER 2015
IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
Caroline Gardner
Russell Frith
Fiona Kordiak
Fraser McKinlay
Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *item 2*
Alex Devlin, Martin Walker and Gavin Byers *items 5 and 6*

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| 1. | Minutes and Welcome | | |
| | The draft minutes dated 1 September 2015, were discussed and approved as an accurate record of the meeting. | | |
| 2. | 2016/17 Budget – Fees and Funding | | |
| | <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the Draft Budget Schedules, which had been previously circulated.</p> <p>David provided a summary of the basis of the information and welcomed a discussion on the proposals contained within the schedules.</p> <p>Diane McGiffen advised Management Team of ongoing discussion with the SCPA regarding a later budget submission date.</p> <p>In considering the implications of this, Management Team discussed the requirement to finalise 2015/16 audit fees by end October.</p> <p>Following detailed discussion, Management Team agreed that given the slippage in the budgetary timetable, there was a need to prepare a report to the Board on the options to hold audit fees for one year, together with an action timetable and outline fee strategy for discussion and decision going forward.</p> <p>Management Team welcomed the discussion.</p> <p>David Hanlon left the meeting.</p> | <p>DHanlon/ RFrith</p> | <p>Sept 2015</p> |

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| 3. | Procurement Update | | |
| | <p>Russell Frith tabled a bulletpoint list of various options he was looking to cover in the Board report to be considered on 17 September 2015.</p> <p>Russell provided a summary of the main points by way of recapping previous decisions and highlighted the proposals for consideration which included the options and consequences for pre-packaging and the principles for achieving value for money and ensuring a competitive market for the forthcoming procurement round.</p> <p>Management Team welcomed the update and provided comments on the report.</p> | | |
| 4. | Audit Services VFM | | |
| | <p>Fiona Kordiak introduced the Board report, Value for Money provided by ASG, a copy of which had been previously circulated.</p> <p>Fiona invited Management Team to consider and comment on the report, which provided the context of previous discussions and took account of the desire to consider best value in the appointment of auditors together with the basis of the analysis being undertaken to demonstrate ASG's role in achieving value for money, quality and continuous improvement.</p> <p>Following detailed discussion, Management Team welcomed the report and agreed its submission to the Board.</p> | FKordiak | Sept 2015 |
| 5. | Annual Review of Governance Policies | | |
| | <p>Alex Devlin, Martin Walker and Gavin Byers joined the meeting.</p> <p>Diane McGiffen welcomed Alex, Martin and Gavin to the meeting and reflected on the collective thinking and support by Management Team on the documenting of various policies. Taking this and the following item by way of comparison, Management Team agreed while there was a need to ensure effective governance is maintained, the general feel was that policies should be simplified and rationalised wherever possible to ensure that a new agile infrastructure is supported.</p> | | |

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| | <p>Turning to the report Annual Review of Governance Policies, Alex invited Management Team to consider and approve the policies for re-approval by the Board for a further year.</p> <p>Management Team questioned the need for the clear desk policy given the impending move to 102 West Port but instead suggested a reference to this was included in the welcome pack being prepared for staff. Fraser McKinlay agreed to arrange for this to be referenced.</p> | FMcKinlay | Sept 2015 |
| 6. | Information Security Policy Review | | |
| | <p>Alex Devlin introduced the Information Security Policy Review report, which had been previously circulated.</p> <p>Alex invited Management Team to approve the policy report for the Board's re-approval at its meeting on 17 September 2015.</p> <p>Management Team provided minor revisions before approving the report.</p> <p>Martin Walker assured Management Team that a wider review of policies was already in train.</p> <p>Alex Devlin, Martin Walker and Gavin Byers left the meeting.</p> | | |
| 7. | Accounts Commission Committees Agenda: 24 September 2015 | | |
| | <p>Fraser McKinlay introduced the proposed agenda for the Accounts Commission Committees meeting, which had been previously circulated.</p> <p>Management Team noted the agenda.</p> | | |
| Standing Items | | | |
| 8. | Draft Agenda: Management Team – 15 September 2015 | | |
| | <p>Management Team considered the proposed agenda. Fiona Kordiak advised there would also be a report on proposed establishment changes within ASG.</p> | FKordiak | Sept 2015 |
| 9. | Draft Agenda: Leadership Group – 7 October 2015 | | |

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| | Management Team discussed and agreed an amended agenda for the next meeting of the Leadership Group. | | |
| 10. | Key messages | | |
| | <ul style="list-style-type: none"> - ASG VFM - Procurement - Fiona Kordiak blog | | |
| 11. | AOB | | |
| | <ul style="list-style-type: none"> - FOI <p>Fraser McKinlay advised Management Team of a recent case which had highlighted the claiming and recording of travel expenses.</p> | | |
| 12. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 15 September 2015.</p> <p>Apologies: Caroline Gardner</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 15 SEPTEMBER 2015
 IN AUDIT SCOTLAND'S OFFICES AT 18 GEORGE STREET, EDINBURGH.**

Present: Diane McGiffen
 Russell Frith
 Fiona Kordiak
 Fraser McKinlay
 Joy Webber (Minutes)

Apologies: Caroline Gardner

In attendance: David Hanlon *item 2*
 Angela Cullen *item 3 (a)*
 John Lincoln *item 3 (b)*
 David Blattman *item 4 (a)*

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| 1. | Minutes and Welcome | | |
| | The draft minutes dated 8 September 2015, were discussed and agreed as an accurate record of the meeting, subject to expansion of the minute of discussions in relation to item 4. | JWebber | Sept 2015 |
| 2. | Budget 2016/17 – Board Report | | |
| | <p>David Hanlon joined the meeting.</p> <p>David Hanlon introduced the Budget Proposal 2016/17 Board report, a copy of which had been previously circulated.</p> <p>David invited Management Team to note and comment on the proposed report which sought to capture previous discussions around capping audit fees to take account of economic uncertainties in light of the forthcoming UK spending review.</p> <p>Following detailed discussion, Management Team agreed submission of the report to the Board.</p> <p>In advance of the Board meeting, David and Russell Frith agreed to undertake further analysis on the anticipated increase in the volume of work, restating our commitment to the SCPA in relation to fees and funding and consider whether there was scope for any additional efficiency savings in relation to property.</p> <p>Diane McGiffen advised of continuing discussion with the SCPA to ascertain the deadline for the submission of our budget proposal and would keep Management Team and the Board informed as soon as this was known.</p> | <p>DHanlon/ RFrith</p> <p>DMcGiffen</p> | <p>Sept 2015</p> <p>Oct 2015</p> |

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| | <p>Management Team welcomed the discussion.</p> <p>David Hanlon left the meeting.</p> | | |
| 3. | Making a Difference | | |
| | <p>(a) Public Sector Risk & Assurance Framework</p> <p>Angela Cullen joined the meeting.</p> <p>Angela Cullen introduced the Public Sector Risk & Assurance Framework report, a copy of which had been previously circulated.</p> <p>Angela invited Management Team to note the integration of the risk and assurance arrangements which have been developed and implemented to enable and support faster decision making on identifying and responding to emerging audit risks, providing visibility and assurance that audit risks are being addressed appropriately while removing unnecessary duplication and reducing inefficiencies.</p> <p>Management Team welcomed this first assurance report, noting the refinement of the arrangements which provided greater transparency on risks, responses and impact on work/resources.</p> <p>Management Team agreed it would be good to increase dialogue internally around risk, using blogs and even short podcasts. Angela would consider options with the Assistant Directors to take forward.</p> <p>Following further discussion, Management Team considered Caroline Gardner would welcome the opportunity to meet to discuss the framework. It was agreed to schedule a presentation for the Board and Management Team would welcome a further update on developments in December 2015 or January 2016. Joy Webber would liaise regarding suitable dates for the meeting with Caroline, Board presentation and update to Management Team.</p> <p>Angela Cullen left the meeting.</p> <p>(b) Making Decisions Fairly – Developing Excellence in Administrative Justice in Scottish Councils</p> <p>John Lincoln joined the meeting.</p> <p>Fraser McKinlay provided the context and</p> | JWebber | Sept 2015 |

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| | <p>arrangements for the report, inviting John Lincoln to introduce the report Making Decisions Fairly – Developing Excellence in Administrative Justice in Scottish Councils, which had been previously circulated.</p> <p>John invited Management Team to note the work undertaken with the Scottish Tribunals and Administrative Justice Advisory Committee (STAJAC) to improve the understanding and delivery of administrative justice in Scottish Councils prior to its launch later in the year.</p> <p>Management Team welcomed the report and interesting discussion.</p> <p>Following discussion, Management Team agreed the publication should be jointly badged when it is issued in November 2015 and agreed there was merit in sharing this internally by way of a knowledge cafes.</p> <p>John Lincoln left the meeting.</p> | JLincoln | Nov 2015 |
| 4. | Building a Better Organisation | | |
| | <p>(a) Proposed Establishment Changes in Audit Services Group</p> <p>David Blattman joined the meeting.</p> <p>Fiona Kordiak introduced the Proposed Establishment Changes in Audit Services Group report, which had been previously circulated.</p> <p>Fiona invited Management Team to consider and approve the proposed resourcing options as outlined in the report.</p> <p>During detailed discussion, Management Team recognised the range of additional responsibilities which had increased workload for ASG and discussed the proposals for changing establishment for the team.</p> <p>Following discussion, Management Team approved the proposal to appoint one additional Grade G senior audit manager for a fixed term of one year from October 2015. Fiona Kordiak agreed to consider other options for the remainder of the options in the report, with assistance from David Blattman.</p> | FKordiak | Sept 2015 |

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| Standing Items | | | |
| 5. | Draft Agenda: Management Team – 6 October 2015 | | |
| | Management Team noted the proposed agenda. | | |
| 6. | Key messages to colleagues | | |
| | <ul style="list-style-type: none"> - Public Sector Risk & Assurance Framework - Making Decisions Fairly – Demonstrating Excellence in Administrative Justice in Scottish Councils | | |
| 7. | AOB | | |
| | <ul style="list-style-type: none"> - Travel and subsistence <p>Management Team discussed the reporting of travel and subsistence for directors and Fraser agreed to speak with Steve Murray in Finance in the first instance to progress.</p> <p>Management Team also discussed the re-tendering of contracts and Diane advised Steve Murray would be in touch with respective directors and heads of departments to compile a register of tenders which would then be reviewed, prioritised and scheduled.</p> <ul style="list-style-type: none"> - IRAG – H&S Care <p>Russell Frith updated Management Team that of the 31 new bodies, 18 are now in place under statute, 7 have yet to be laid with 6 still awaiting ministerial approval.</p> | <p>FMcKinlay</p> <p>DMcGiffen</p> | <p>Sept 2015</p> <p>Oct 2015</p> |
| 8. | Date of next meeting | | |
| | <p>The next Management Team meeting will be held on: Tuesday 6 October 2015.</p> <p>Apologies: Fiona Kordiak, Fraser McKinlay</p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p> | | |