



**Minutes of Management team meetings
2018**

Management Team

Tuesday 9 January 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Fraser McKinlay (Chair)
Caroline Gardner
Fiona Kordiak
Joy Webber (Minutes)

Apologies:

Diane McGiffen

In attendance:

Gemma Diamond, Senior Manager
Martin McLauchlan, Audit Manager
Tarryn Wilson-Jones, Senior Auditor
Stuart Dennis, Corporate Finance Manager

1. Minutes of meeting: 19 December 2017

The draft minutes dated 19 December 2017 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

Management Team reflected on the discussion at Item 3, the Appointments and Assurance work programme and agreed an update was required. Fiona Kordiak agreed to liaise with Elaine Boyd to confirm a date.

Action: Fiona Kordiak to liaise with Elaine Boyd to confirm a date for an update on the Appointments and Assurance team work programme. (January 2018)

2. Making a Difference: Budget briefing

Gemma Diamond, Senior Manager, Martin McLauchlan, Audit Manager, Tarryn Wilson-Jones, Senior Auditor and Stuart Dennis, Corporate Finance Manager joined the meeting.

Gemma Diamond introduced the budget briefings which had been prepared following the dissemination of the draft Scottish budget which was announced on 14 December 2017 by the PIE Cluster team. The summary papers provide an overview of the key highlights and themes arising from the draft budget and how it will impact our work as well as providing links to additional analysis of trends.

During detailed discussion, Management Team recognised the complexity of the budget in relation to the devolved powers and noted the overall increase in the Scottish budget, the changes to income tax, economic growth measures and pressures on budget areas.

Management Team recognised the value of the analysis and noted the proposed implementation and rollout of the budget database to the cluster groups and the Scottish Government, the transparency of data available and the assurance it provided around our work programme.

Following discussion, Management Team welcomed the briefings,

Gemma Diamond, Senior Manager, Martin McLauchlan, Audit Manager and Tarryn Wilson-Jones, Senior Auditor, left the meeting.

3. 2017/18 Financial forecast

Stuart Dennis introduced the 2017/18 Financial forecast report, a copy of which had been previously circulated.

Stuart invited Management Team to note that we are on track to achieve an underspend on the 2017/18 forecast.

Management Team noted the projected underspend and considered work in progress levels, level

Management Team welcomed the steady position and discussed the need to continue to monitor work in progress levels and to ensure planning is underway for the new financial powers resources for 2018/19 and agreed they would welcome a summary of the costings and budget in relation to Audit Strategy and the external assurance by ICAS.

Following discussion, Management Team welcomed the report and agreed Stuart would come back to Management Team if there were any significant changes to the financial forecast.

In addition, Management Team agreed an early discussion on workforce planning for the forthcoming financial year would be helpful.

Action: A early discussion on workforce planning to be scheduled. (January 2018)

Stuart Dennis, Corporate Finance Manager, left the meeting.

4. Draft agenda: Management Team: 16 January 2018

Management Team discussed the proposed agenda and Joy Webber advised the Communications Digest and Hotlist of emerging key risks will come to next week's meeting.

5. Any other business

Management Team had a general discussion around professional leadership and would welcome a more detailed discussion.

Action: A early discussion around professional leadership to be scheduled. (30 January 2018)

6. Date of next meeting

The next meeting of Management Team would take place on Tuesday 16 January 2018.

Management Team

Tuesday 16 January 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

Fraser McKinlay (in part)
Sarah Skerratt

In attendance:

James Gillies, Communications Manager
David McConnell, Assistant Director
Lynn Scott, Business Support Services Manager
Mark Taylor, Assistant Director
Gordon Smail, Assistant Director
Rebecca Seidel, Audit Manager
Kirstin Scott, Auditor
Michael Oliphant, Senior Audit Manager
Alasdair Craik, Senior Audit Manager
David Blattman, HR&OD Manager
Sarah Pollock, Audit Manager

1. Minutes of meeting: 9 January 2018

The draft minutes dated 9 January 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Communications digest

James Gillies, Communications Manager and David McConnell, Assistant Director, joined the meeting.

James Gillies introduced the Communications digest report, which had been previously circulated.

James invited Management Team to note the key issues and highlights from external and internal communications over the past month as well as a look ahead to forthcoming events and activities.

During discussion, Management Team reflected on the volume of coverage following publication reports. Following discussion about extending the impact of reports, it was agreed that James would consider with PABV colleagues how to produce timely outputs based on previous reports to inform clearance debate.

Management Team welcomed the discussion.

Action: James Gillies to consider further communication tools with respective cluster leads. (February 2018)

3. Hotlist of emerging key risks

David McConnell introduced the Hotlist of emerging key risks report, a copy of which had been previously circulated.

David invited Management Team to approve the hotlist of emerging and developing audit risks together with the watchlist monitoring known risks.

During discussion, Management Team considered the possible implications of outsourcing by public bodies following the liquidation of Carillion. David also provided a verbal update on the Glasgow City Council equal pay position.

Following discussion, Management Team approved the report and agreed the next report would reflect the current status of each item on the watchlist.

Management Team welcomed the report.

James Gillies, Communications Manager and David McConnell, Assistant Director, left the meeting.

4. Business support services resourcing

Lynn Scott, Business Support Services Manager, joined the meeting.

Lynn Scott introduced the Business support services resourcing report, which had been previously circulated.

Lynn invited Management Team to approve the recommendation to amend the staffing establishment within the BSS team within its current budget.

Management Team discussed capacity levels and predicted demand across the organisation for support services and agreed a strategic report was required to ensure the shift in roles and services delivered the required balance of support for the business and alongside work on efficiency.

Following discussion, Management Team approved the recommendation for the proposed amendment with a strategic review to follow by the end of March 2018.

Action: Lynn Scott to report on the strategic review of demand and impacts to deliver support across the organisation. (March 2018)

Lynn Scott, Business Support Services Manager, left the meeting.

5. Draft agenda: Management Team 23 January 2018

Management Team noted the addition of the Annual Assurance and Risks Report would come to Management Team next week together with draft Board reports for their consideration.

6. Draft agenda: Board 31 January 2018

Management Team noted the agenda for the forthcoming Board meeting on 31 January 2018.

7. Any other business

There was no other business.

8. Date of next meeting

The next meeting of Management Team was scheduled for 23 January 2018.

9. Summit: European Union withdrawal

Mark Taylor and Gordon Smail, Rebecca Seidel, Audit Manager, Kirstin Scott, Auditor, Michael Oliphant and Alasdair Craik, Senior Audit Managers David Blattman, HR&OD Manager and Sarah Pollock, Audit Manager, joined the meeting.

Rebecca Seidel and Kirstin Scott introduced the Summit discussion on the withdrawal from the European Union to consider the implications for Scotland and the public sector, and current and planned Audit Scotland activity in response to constitutional change.

During detailed discussion, Management Team considered the legal bases for the UK's withdrawal from the EU, the potential impact on Scotland's economy and public services, including finances and funding, migration, regulation and policy, trade rules, capacity to deal with change and Audit Scotland's current activity around the impact on audit work, communication and engagement, resourcing and capacity building.

Management Team thanked participants for a wide ranging and thought provoking discussion.

It was agreed that Diane would liaise with Mark to draft an update for Yammer and for the staff conference.

Action: Diane McGiffen to liaise with Mark Taylor to draft an update for Yammer and for the staff conference.

Mark Taylor, Gordon Smail, Rebecca Seidel, Kirstin Scott, Michael Oliphant, Alasdair Craik, David Blattman and Sarah Pollock left the meeting.

Management Team

Tuesday 23 January 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Lorna McEwan (Minutes)

Apologies:

None

In attendance:

Fiona Mitchell-Knight, Assistant Director, Audit Services Group
Tommy Yule, Senior Auditor, Audit Services Group
Elaine Boyd, Assistant Director, Appointments and Assurance Team
Owen Smith, Senior Manager, Appointments and Assurance Team
John Gilchrist, Manager, Appointments and Assurance Team

1. Minutes of meeting: 16 January 2018

The draft minutes dated 16 January 2018 were considered and Management Team agreed that subject to amendment these were an accurate record of the meeting.

2. Review of new Best Value process

Fiona Mitchell-Knight, Assistant Director and Tommy Yule, Senior Auditor, joined the meeting.

Fiona Mitchell-Knight introduced the Review of Best Value process report, which had been previously circulated.

Fiona informed Management Team that six BVARs had already been welcomed by the Accounts Commission and work on the next six BVARs was well underway.

During discussion, Management Team reflected on the very positive aspects of the report whilst considering the Accounts Commissions' appetite for a more streamlined report. Copies of the review undertaken by Rocket Science were made available at the meeting and it was agreed that this would be included as an appendix to the Accounts Commission report.

Management Team agreed to endorse the recommendations in the report and approved the distribution of the Guidance Notes to Auditors included in the report.

Management Team welcomed the discussion.

Action: Diane McGiffen to email comments to Fiona Mitchell-Knight (January 2018)

3. Annual Assurance and Risks Report

Tommy Yule introduced the Annual Assurance and Risks report, which had been previously circulated.

Tommy invited Management Team to note the highlights of the review of 2016/17 annual audit reports for councils and related local authority bodies in addition to the analysis of work undertaken during the year as part of the new approach to auditing Best Value in local government.

Management Team welcomed the report and following discussion approved the report for submission the Accounts Commission on 8 February 2018.

Action: Diane McGiffen to email Tommy Yule with comments (January 2018).

Tommy Yule, Senior Auditor and Fiona Mitchell-Knight, Assistant Director, left the meeting.

4. External operating environment

Due to time constraints Management Team agreed to note the contents of the report and email any comments directly to Martin Walker.

Action: Management Team to email Martin Walker with any comments (January 2018).

5. Appointments and Assurance work programme update

Elaine Boyd, Assistant Director, Owen Smith, Senior Manager and John Gilchrist, Manager, Appointments and Assurance Team joined the meeting.

Elaine Boyd introduced the Appointment and Assurance work programme update report, which had been previously circulated.

Following discussion, Management Team suggested that further consideration be given to the timetable whilst streamlining the report for next year.

Management Team approved the proposals to secure additional resources to deliver the AAT immediate priorities and reported that they would be content to consider non formal agenda items by correspondence.

6. Proposed change of audit appointment

John Gilchrist introduced the Proposed change of audit appointment report, which had been previously circulated.

A discussion followed on the proposal to the Accounts Commission to change the appointment to the audit of the East of Scotland European Consortium (ESEC) from KPMG to Fiona Kordiak, subject to the next administering authority being audited by ASG.

Management Team approved the proposal and asked the team to streamline the process going forward.

7. Best Companies headline results

Due to time constraints Management Team agreed to note the contents of the report and email any comments directly to David Blattman.

Action: Management Team to email David Blattman with any comments (January 2018).

8. Lease extension: Nelson Mandela Place, Glasgow – Confidential item

This confidential item would be minuted under separate cover.

9. Draft agenda: Management Team 30 January 2018

Subject to minor amendment, Management Team approved the draft agenda for the meeting scheduled for 30 January 2018.

10. Draft agenda: Accounts Commission 8 February 2018

Following discussion, Management Team approved the draft agenda for the meeting of the Accounts Commission on 8 February 2018.

11. Any other business

There was no other business.

12. Date of next meeting

The next meeting of Management Team was scheduled for 30 January 2018.

Apologies were noted from Fraser McKinlay.

Management Team

Tuesday 30 January 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Lorna McEwan (Minutes)

Apologies:

Fraser McKinlay

In attendance:

Mark Taylor, Assistant Director
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
Stuart Dennis, Corporate Finance Manager
Alex Devlin, Corporate Governance Manager
David McGurk, Service Delivery Manager, DSG

1. Minutes of meeting: 23 January 2018

The draft minutes dated 23 January 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

A discussion followed on the Promoting Equality summit held following the conclusion of the Management Team meeting held on 23 January 2018. Management Team noted that membership of the Diversity and Equality Steering Group would be considered at a future date as would leadership of internal Human Resources governance on diversity and equality matters.

2. Audit and accountability framework

Mark Taylor, Assistant Director and Rebecca Seidel, Audit Manager, joined the meeting.

Following discussion, Management Team welcomed the briefings,

Mark Taylor introduced the Audit and Accountability Framework report, a copy of which had been previously circulated. Management Team welcomed the much improved version of the Framework since June 2017 which now incorporated many suggestions made by Audit Scotland. A discussion followed on the consultation of the audit process and Management Team noted significant concerns about the extent of our access to devolved matters managed by UK public bodies as envisaged in the framework.

Mark informed Management Team that the deadline for any written submission to PAPLSC was Monday 5 February and that this would reflect the views of Management Team.

Management Team welcomed the discussion and opportunity to comment on the draft Framework.

Mark Taylor and Rebecca Seidel left the meeting.

3. 2017/18 Statutory accounting timetable

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2017/18 Year End Statutory Accounts Timetable, a copy of which had been previously circulated.

Stuart informed Management Team that the Statutory Accounts must be lodged with the Scottish Commission for Public Audit (SCPA) no later than 13 June 2018 and would be reviewed by the SCPA at a date yet to be confirmed.

Management Team welcomed sight of the draft timetable which followed a similar process to that adopted in previous years.

Following discussion Management Team approved the timetable for submission to the Audit Committee on 14 March 2018.

4. Internal audit reports

Alex Devlin, Corporate Governance Manager and David McGurk, Delivery Manager, Digital Services, joined the meeting.

Financial reporting

Management Team welcomed sight of the report and noted the areas of good practice whilst taking into account the three minor observations identified in the report.

IT Service management

Management Team discussed the contents of the report and welcomed the substantial assurance received over the design and operational effectiveness of the controls in place relating to IT Service management, whilst noting areas for improvement.

Following discussion Management Team suggested that future internal audit reports be written in a more easily understood format.

Alex Devlin, David McGurk and Stuart Dennis left the meeting.

5. Draft agenda: Management Team 13 February 2018

Following discussion Management Team approved the draft agenda for the meeting scheduled for 13 February 2018. Consideration would also be given to feedback from the Rocket Science report, Contribution to the review of the new Best Value approach.

6. Draft agenda: Leadership Group 7 February 2018

Following discussion, it was agreed that the meeting would consist of two agenda items – Leadership Development and Audit Working. Fraser McKinlay would email Leadership Group on Friday to this effect.

Action: Fraser McKinlay to email draft agenda to Leadership Group on Friday 2 February 2018

A discussion followed on the format of future meetings of Management Team. Meetings would be sub-divided into three categories – Strategy, People and Performance – and each category would be considered at minimum, on a quarterly basis.. This would allow for timely agenda planning and more focussed discussions.

7. Any other business

Management Team welcomed an update from Fiona Kordiak on the conclusion of the EAFA audit.

8. Date of next meeting

The next meeting of Management Team would take place on Tuesday 13 February 2018.

Management Team

Tuesday 13 February 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Fraser McKinlay
Fiona Kordiak
Lorna McEwan (Minutes)

Apologies:

Caroline Gardner

In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk
Stuart Dennis, Corporate Finance Manager
Claire Sweeney, Assistant Director, PABV
Fiona Diggle, Audit Officer, PABV
Ian Metcalfe, Corporate Performance Officer

1. Minutes of meeting: 30 January 2018

The draft minutes dated 30 January 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Q3 Corporate performance report 2017/18

Martin Walker, Assistant Director and Stuart Dennis, Corporate Finance Manager, joined the meeting.

Martin Walker introduced an overview of Audit Scotland's performance during quarter three of 2017/18, a copy of which had been previously circulated.

Management Team welcomed sight of the report and a discussion followed on the reasons for the late delivery of six of the Firms Annual reports.

Subject to minor amendment, Management Team agreed to approve the Q3 Corporate Performance report 2017/18.

3. Q3 Becoming world class improvement programme report 2017/18

Martin Walker introduced the Becoming world class improvement programme report 2017/18, a copy of which had been previously circulated.

Martin invited comments in respect of progress made since November 2017, when the report was last considered by Management Team and the Board.

Management Team welcomed sight of the progress headlines and subject to minor amendment, agreed to approve the report.

4. Q3 Financial performance report 2017/18

Stuart Dennis introduced the Q3 Financial performance report 2017/18, a copy of which had been previously circulated.

Management Team noted that in the nine months to December 2017 the net operating expenditure of £4,016k was £250k less than budget.

Discussions would continue in respect of the £76k uncommitted funds in the Management Contingency and Provision budget. Management Team agreed to give some thought to how this may be allocated.

Management Team welcomed the format of the financial dashboard and agreed that it would be considered on a monthly basis (by email from Stuart) with the full finance report being considered on a quarterly basis.

Following discussion Management Team agreed to note the financial results for the nine months to December 2017 for presentation to the Audit Scotland Board on 28 February 2018.

Action(s): Management Team to further consider uncommitted funds in the Management Contingency and Provision budget. (February 2018)

Stuart Dennis to email the financial dashboard to Management Team on a monthly basis. (Ongoing)

5. Reviews of Performance Management Framework and How we use our time

Claire Sweeney, Assistant Director, Fiona Diggle, Audit Officer and Ian Metcalfe, Corporate Performance Officer, joined the meeting.

Martin Walker introduced the Review of performance and business management framework and supporting digital system(s) framework compiled by Rocket Science and Storm ID, a copy of which had been previously circulated. In addition, Claire Sweeney and Fiona Diggle introduced the How we use our time report (Part 2), which had also been previously circulated.

Management Team welcomed the reports, the clarity of the presentation and the business issues emerging from both.

During detailed discussion, Management Team considered the advantages of making use of the existing MKI licences and the platform which it provides to build from as well as and the potential disadvantages of a single alternative time recording system.

Following discussion, Management Team agreed that the core audit recording and file management system should form the foundation for the development of time recording and business intelligence given that:

- the cost of additional licences was limited
- there is scope to make further use of MKI in audit work, following on from the new best value approach

with the principle of one system to support Audit Scotland's one organisation approach subject to the scale of work to resolve usability and mobility in advance of the release of the new version of MKI in the the summer. It was also recognised that MKI has not delivered the promised open access to data on time and #####.

Martin Walker and Claire Sweeney agreed to develop the project and report back to Management Team.

Action(s): Martin Walker and Claire Sweeney to jointly lead on the combined project to develop a new performance management system/TRS system, with a further update to Management Team. (April/May 2018)

Martin Walker, Stuart Dennis, Ian Metcalfe, Claire Sweeney and Fiona Diggle left the meeting.

6. Draft agenda: Management Team 20 February 2018

Following discussion it was agreed that the 'People' session planned at Management Team on 20 February 2018 would be postponed until 27 February 2018.

7. Any other business

No further business was discussed at the meeting.

8. Date of next meeting

The next meeting of Management Team would take place on Tuesday 20 February 2018.

Management Team

Tuesday 20 February 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Fraser McKinlay
Fiona Kordiak
Joy Webber (Minutes)

Apologies:

Caroline Gardner

In attendance:

Fiona Mitchell Knight, Assistant Director, Audit Services
Carol Hislop, Senior Audit Manager, Audit Services

1. Minutes of meeting: 13 February 2018

The draft minutes dated 13 February 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

2. Professional Trainee scheme: School leavers update report

Fiona Mitchell Knight, Assistant Director and Carol Hislop, Senior Audit Manager, Audit Services, joined the meeting.

Carol Hislop introduced the report on Professional Trainee scheme: School leavers update, a copy of which had been previously circulated.

Carol invited Management Team to note the expansion of the professional trainee scheme to include school leavers and to consider the future of the school leaver scheme.

A detailed discussion followed on the CIPFA Apprenticeship scheme and the five year ICAS scheme, considering the responsibility of recruiting and the level of qualification available through each provider.

Following discussion, Management Team agreed Audit Scotland should continue the school leaver scheme through ICAS with David Blattman and the HR & OD team taking forward engagement with candidates through existing contacts and new networks, such as Young Scot, schools, etc. Diane McGiffen and Fraser McKinlay also offered their time to speak at school career fairs or host visits.

Management Team welcomed the report, recognising the efforts of Fiona, Carol and the wider team for ensuring the school leaver scheme in 2017 was a success.

Fiona Mitchell Knight, Assistant Director and Carol Hislop, Senior Audit Manager, Audit Services, left the meeting.

3. Draft agenda: Accounts Commission 14 March 2018

Management Team noted the draft agenda for the meeting of the Accounts Commission on 14 March 2018, noting the report on the changing Social Security landscape would come to next week's meeting of Management Team.

4. Draft agenda: Audit Committee 14 March 2018

Management Team considered the draft agenda and noted the items scheduled to come to next week's meeting of Management Team for consideration.

5. Draft agenda: Audit Scotland Board 28 February 2018

Management Team noted the proposed agenda for the meeting of the Audit Scotland Board on 28 February 2018. Diane also advised that the Board were holding a development workshop immediately after the meeting as part of their continuing commitment to review the effectiveness of the Board.

6. Draft agenda: Management Team 27 February 2018

Management Team noted the draft agenda for the meeting on 27 February 2018 and welcomed the rescheduled 'People' discussion.

7. Any other business

Diane McGiffen provided a verbal update of discussions at the UK Audit agencies Chief Operating Officers meeting on Friday 16 February 2018 which was hosted by the Wales Audit Office in Cardiff.

8. Date of next meeting

The next meeting of Management Team will take place on Tuesday 27 February 2018.

Management Team

Tuesday 27 February 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Fraser McKinlay (Chair)
Diane McGiffen
Fiona Kordiak
Caroline Gardner
Lorna McEwan (Minutes)

Apologies:

None

In attendance:

Mark Taylor, Assistant Director, Audit Services
Martin Walker, Assistant Director, Corporate Performance and Risk
Alex Devlin, Corporate Governance Manager
David McGurk, Service Delivery Manager, Digital Services

1. Minutes of meeting: 20 February 2018

The draft minutes dated 20 February 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Changing Social Security Landscape

Mark Taylor, Assistant Director, joined the meeting.

Mark Taylor introduced the Changing Social Security Landscape report, a copy of which had been previously circulated.

Mark invited Management Team to comment on the report prior to submission to the Accounts Commission on 8 March 2018.

A detailed discussion followed on the contents of the report with agreement on minor modifications prior to consideration by the Accounts Commission.

It was agreed that Mark would liaise with Paul Reilly prior to the meeting of the Accounts Commission to reflect on the 'next steps' of the report.

It was further agreed that a wider communications plan would be established and the Communications team would be engaged in this respect.

Management Team welcomed the report and approved it for submission to the meeting of the Accounts Commission on 8 March, subject to minor amendment.

Action: Mark Taylor to meet with Paul Reilly to discuss the Changing Social Security Landscape paper, prior to 8 March 2018.

The Communications team to establish a wider plan to communicate the findings of the report. (March 2018)

Mark Taylor, Assistant Director, left the meeting.

3. Risk Reporting

Martin Walker Assistant Director, Corporate Performance and Risk, and Alex Devlin, Corporate Governance Manager, joined the meeting.

Review of risk register:

Martin Walker introduced the revised risk register, which had been previously distributed and invited Management Team to review and comment on Audit Scotland's corporate risk appetite.

Management Team noted that overall the risk register was consistent with the one considered by the Audit Committee at its meeting on 15 November 2017 and a discussion followed on the registers one red risk relating to cyber security.

A discussion followed on the risks surrounding Brexit and Audit Scotland's ongoing understanding and engagement with external stakeholders whilst understanding the impact on our work and building in capacity to respond to issues as they arise.

Following a discussion in respect of the risks around cyber security, it was agreed that this would continue when David McGurk joined the meeting.

Risk interrogation: Legitimacy, relevance and independence

Martin Walker introduced the risk interrogation on independence, legitimacy and relevance report, a copy of which had been previously distributed.

Following a request from the Audit Committee in 2014 asking for individual items from the risk register to be selected for more detailed consideration, Martin invited Management Team to comment on the failure of legitimacy and relevance risk and the failure of independence risk.

Following discussion Management Team welcomed the report.

4. Internal audit reporting:

Follow up report

Alex Devlin introduced the internal audit follow up report compiled by BDO, a copy of which had been previously distributed.

Management Team welcomed the good progress made in respect of the outstanding recommendations and requested that more precision be given when identifying timescales.

Review of risk areas to inform internal audits 2018/19

Alex Devlin introduced the review of risk areas to inform internal audits 2018/19 report, a copy of which had been previously distributed.

Management Team welcomed the report and noted the good assurance on coverage of the internal audits carried out over the last three years.

Management Team noted that following the conclusion of the tender process for an external provider for internal audit services for the period 2018/19 – 2020/21, two potential suppliers would be interviewed on 7 March 2018.

5. Annual assurance and statement of control process

Alex Devlin introduced the annual assurance and statement of control process 2018 report, a copy of which had been previously distributed.

Management Team welcomed and noted the contents of the report.

6. Whistleblowing Prescribed Persons update

Alex Devlin introduced the whistleblowing prescribed persons report which sought to update Management Team on the role of Audit Scotland in this respect.

Management Team welcomed the update and following discussion, it was agreed that a letter of complaint would be drafted to the Scottish Government on behalf of Diane McGiffen.

Action: Alex Devlin to draft a communication to the Scottish Government on behalf of Diane McGiffen – deadline 7 March 2018.

Alex Devlin left the meeting

7. Digital security enhancements

David McGurk, Service Manager, Digital Services, joined the meeting.

David McGurk introduced the report which sought to apprise Management Team of improvements to Audit Scotland's digital security within an environment of increasing risk from malicious activity, a copy of which had been previously distributed.

Management Team welcomed the series of proposed enhancements to improve how Audit Scotland manages the threat to its digital security and following discussion it was agreed that the organisation would endeavour to go further in engagement with other public sector bodies to manage risk in this respect.

Following discussion of the 'failure to protect digital infrastructure, systems and information' risk, Management Team recommended that this risk be reduced to amber.

Martin Walker and David McGurk left the meeting.

8. Audit Partners meeting 26 March 2018

Following discussion of the agenda for the audit partners meeting scheduled to take place on 26 March 2018 it was agreed that the quality framework (including prior year adjustments) and Brexit would be considered along with a two minute general update from each attendee.

9. Draft agenda: Management Team 6 March 2018

Following discussion, Management Team approved the draft agenda for the meeting scheduled to take place on 6 March 2018.

10. Any other business

No other business was discussed at the meeting.

11. Date of next meeting

The next meeting of Management Team will take place on Tuesday 6 March 2018.

12. People focus and developments

Mark Taylor, Angela Canning, David Blattman, Susan Fisher, Tracey Bray and Martin Walker joined the meeting.

Management Team welcomed the opportunity to take stock of progress, volume and alignment in respect of people focus along with the opportunity to consider the next stages.

Following a discussion on the process elements the group agreed that embedded values and attributes should continue along with a shared understanding of acceptable/non acceptable behaviours.

It was agreed that further discussion on recruitment and retention would take place at a later date.

The group agreed to give consideration to the next stages of people focus and developments:

- Managers/teams recognising the progress made in respect of the BABO process;
- Developing and recognising skills and talents through team discussions;
- Supporting good career management and the sharing of good examples;
- People Focus Group / BABO – possible reinvention with refreshed membership.

Action: Further discussion on recruitment and retention to take place at a later date.

Management Team

Tuesday 6 March 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Fraser McKinlay (Chair)
Diane McGiffen
Caroline Gardner
Joy Webber (Minutes)

Apologies:

Fiona Kordiak
Paul Reilly

In attendance:

James Gillies, Communications Manager
Brian Howarth, Assistant Director, Audit Services
David Blattman, HR & OD Manager

1. Minutes of meeting: 27 February 2018

The draft minutes dated 27 February 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Communications Digest

James Gillies, Communications Manager, and Brian Howarth, Assistant Director, Audit Services joined the meeting.

James Gillies introduced the Communications Digest report, a copy of which had been previously circulated.

James summarised the key highlights from the report and invited Management Team to note the high level of activity reported.

Management Team discussed the range of coverage received as well as the level of recent engagement with Parliamentary Committees.

Following discussion, Management Team welcomed the overview and agreed a discussion around the impact of failing public/private contracts on the public sector would be added to the agenda for the Audit Partners meeting on 26 March 2018.

Action: An agenda item on the impact of public/private contracts to be scheduled for the meeting of the Audit Partners on 26 March 2018. (March 2018)

Mark Taylor, Assistant Director, left the meeting.

3. Hotlist of emerging audit risks

Brian Howarth introduced the Hotlist of emerging audit risks report, which had been previously circulated.

Brian invited Management Team to note the emerging audit risks reported and welcomed any comments on the watchlist and proposed closure of risk.

During detailed discussion, Management Team agreed a number of risks that should remain on the watchlist.

Following discussion, Management Team welcomed the report.

James Gillies and Brian Howarth left the meeting.

4. Internal audit reporting:

Workforce planning and resource management

David Blattman, HR & OD Manager, joined the meeting.

David Blattman introduced the internal audit report received from BDO on Workforce planning and resource management, a copy of which had been previously circulated.

David invited Management Team to note the substantial assurance received and welcomed any comments.

Management Team welcomed the assurance received while recognising the need to continue to develop our strategic focus on skills development and retention of talent to meet the future needs of Audit Scotland and public audit in Scotland.

8. Draft agenda: Remuneration and Human Resources Committee meeting 28 March 2018

David Blattman invited Management Team to note the draft agenda and welcomed any comments. He advised that the business scheduled to go to Remco would come to next week's Management Team meeting.

Diane McGiffen provided a verbal update on pay negotiations with the PCS Union and Management Team discussed the Scottish Government's published guidelines. Management Team welcomed the update in advance of the draft Remco report to be considered next week.

Management Team noted the agenda.

David Blattman left the meeting.

5. Draft agenda: Management Team 13 March 2018

Management Team discussed the draft agenda for the meeting scheduled to take place on 13 March 2018, and following discussion agreed that the strategy focussed discussion would take place at the Leadership Group meeting on 21 March 2018.

6. Agenda: Accounts Commission Strategy seminar 13/14 March 2018

In the absence of Paul Reilly, Management Team considered the agenda for the forthcoming Accounts Commission Strategy seminar on 13 and 14 March 2018, which had been previously circulated.

Management Team noted the proposed proceedings and Fraser McKinlay's session setting out Audit Scotland's risk analysis for local government.

7. Draft Agenda: Leadership Group 21 March 2018

Following discussion at Item 5 above, Diane McGiffen and Fraser McKinlay advised they would agree and communicate the leads for the strategy focussed discussion.

9. Any other business

There was no further business.

10. Date of next meeting

The next meeting of Management Team will take place on Tuesday 13 March 2018.

Management Team

Tuesday 13 March 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Fraser McKinlay (in part)
Caroline Gardner
Joy Webber (Minutes)

Apologies:

Fiona Kordiak
Fraser McKinlay (from item 8)

In attendance:

David Blattman, HR & OD Manager
Gordon Smail, Assistant Director
Jim Rundell, Senior Audit Manager
Paul O'Brien, Senior Audit Manager
Stephen Forrest, Audit Officer
James Gillies, Communications Manager
Bruce Stoddart, Senior Graphic Designer
Martin Walker, Assistant Director, Corporate Performance and Risk

1. Minutes of meeting: 6 March 2018

Management Team agreed the draft minutes dated 6 March 2018 would be recirculated for consideration at next week's meeting.

2. 2018 Pay negotiations update

David Blattman, HR & OD Manager, joined the meeting.

Management Team noted the confidential aspects of this item and the discussion is recorded in a separate confidential minute.

3. Pension scheme policy statement

David Blattman, HR & OD Manager, introduced the Pension scheme policy statement report, which had been previously circulated.

David invited Management Team to consider the proposal to adopt a policy statement regarding the management of pension tax charges for higher earning employees whose contributions exceed the HMRC annual allowance, as requested by Lothian Pension Fund who administer the Local Government (Scotland) Pension Scheme (LGPS) for Audit Scotland staff.

Diane McGiffen and Fraser McKinlay declared a possible conflict of interest as potential beneficiaries under the proposed policy statement.

Caroline Gardner confirmed she did not have a conflict of interest and stated that Audit Scotland should apply a consistent approach to adopting pension policy statements and was content to recommend to the Remuneration and Human Resources Committee (Remco) the adoption of a

policy statement to appear alongside other pension policy statements as part of the Staff Handbook.

David Blattman agreed to prepare a report to Remco from the Accountable Officer recommending the adoption and setting out the criteria Audit Scotland would use to assess any claim.

Action: David Blattman to prepare a report on behalf of the Accountable Officer to Remco proposing the adoption of the draft pension policy statement. (March 2018)

David Blattman left the meeting.

4. Professional Support draft operational plan 2017/18

Gordon Smail, Assistant Director, Jim Rundell, Senior Audit Manager, and Paul O'Brien, Senior Manager, joined the meeting.

Gordon Smail introduced the Professional Support draft operational plan for 2017/18, which had been previously circulated.

Gordon invited Management Team to note the progress made in implementation of the new professional support arrangements and in developing the draft operational plan which brings colleagues together from the Technical support unit (TSU), Business improvement unit (BIU) and the forthcoming opportunities for input from Performance Audit and Best Value.

Management Team welcomed the report and the draft operational plan and during detailed discussion noted the wider engagement in order to continue to develop established areas of activity and also inform the team's contribution to organisational wide developments.

During detailed discussion, Management Team reflected on resources and agreed more communication around the opportunities arising in this developing team was important. Jim Rundell advised he had been working with Digital Services on the data mining on MKI and developing proposals around training to maximise impact.

Finally, Management Team agreed a summary of key objectives at the end of each section would be useful to inform priorities and timescales of work to be undertaken in the audit year.

Following discussion, Management Team recognised the work of the team in developing the plan and welcomed the discussion.

Jim Rundell and Paul O'Brien left the meeting.

5. Openness and transparency

Stephen Forrest, Audit Officer joined the meeting.

Gordon Smail introduced the report on Openness and Transparency, a copy of which had been previously circulated.

Gordon invited Management Team to comment on the form and its suitability as an additional output for audited bodies and as guidance to support local audit work.

Management Team discussed the report which provided clarity around the key governance issues for the public sector, was based on audit experience and engagement with audit committees and welcomed the consistent approach and confident presentation.

Gordon advised this would be shared with the Board and Accounts Commission before its scheduled publication in April.

Management Team recognised the investment of time by Gordon and the team to develop the audit view and welcomed this additional tool for auditors.

Gordon Smail and Stephen Forrest left the meeting.

6. Outline annual report and accounts

James Gillies, Communications Manager and Bruce Stoddart, Senior Graphic Designer, joined the meeting.

James Gillies introduced the report on the Annual report and accounts proposals, which had been previously circulated and invited comment on the proposed structure, content and design.

Bruce invited Management Team to review the visual images which had been refreshed to highlight sections more readily, provided additional substance to the summaries and case studies and the proposal to produce a video alongside the report.

Management Team welcomed the report and visuals and discussed the link to the overall performance of the current corporate plan should pull through together with links to other annual reporting due.

Following discussion, Management Team welcomed the new graphics and outline proposals and approved its submission to the Board at its meeting on 28 March 2018.

James Gillies and Bruce Stoddart left the meeting.

7. Public sector audit risk and assurance framework

Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.

Martin Walker introduced the six monthly report on the Public sector audit risk and assurance framework, a copy of which had been previously circulated.

Martin highlighted the escalation of two risks from amber to red, one relating to the impact of public sector reform on improving outcomes and how well the process is being managed and the other in relation to the departure from the EU and the limited progress made in the negotiation process.

Management Team reflected on the increased risks and discussed key aspects around good governance, responsiveness to issues and the process around reviewing the framework. Management Team agreed this was a useful tool to inform and develop the work programme and a good basis for identifying and deploying resources effectively.

Following discussion, Management Team welcomed the report and the assurance it provided. Martin advised he would also liaise with the other audit agencies to establish any further UK wide risks which may further impact our work.

Fraser McKinlay, Director of Performance Audit and Best Value left the meeting.

8. Draft Corporate plan 2018/21

Martin Walker introduced the Draft Corporate plan 2018/21 report, which had been previously circulated.

Martin invited Management Team to consider and comment on the first draft of the Corporate Plan for 2018 to 2021 and subject to any comments, agreed a revised draft for consideration by the Board on 28 March 2018.

Management Team welcomed the audit priorities which continue to evolve as part of our aspiration to be a world class audit organisation and the links to the annual report and accounts where we will report on our progress.

During discussion, Management Team provided detailed comments and feedback on the guiding principles, suggestions on case studies, labelling of the key workstreams and stating what world class means to Audit Scotland.

Following discussion, Management Team welcomed the report and agreed a draft for consideration by the Board.

9. Management Team terms of reference

Management Team agreed to defer this item to May 2018 alongside reporting to Remco on Management Team role profiles and pay reward.

Martin Walker left the meeting.

10. Draft agenda: Management Team 20 March 2018

Management Team noted the draft agenda for the meeting on 20 March 2018.

11. Draft Agenda: Board 28 March 2018

Management Team noted the proposed agenda for the Board meeting on 28 March 2018.

12. Any other business

There was no further business.

13. Date of next meeting

The next meeting of Management Team will take place on Tuesday 20 March 2018.

Management Team

Tuesday 20 March 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Joy Webber (Minutes)

Apologies:

Fraser McKinlay

In attendance:

Stuart Dennis, Corporate Finance Manager

1. Minutes of meeting:

6 March 2018

Management Team considered the draft minutes dated 6 March 2018 and agreed they were an accurate record of the meeting, subject to minor amendment.

13 March 2018

Management Team considered the draft minutes dated 13 March 2018 and agreed these were an accurate record of the meeting, subject to minor amendment. Management Team also considered the Confidential minutes dated 13 March 2018 and agreed these were an accurate record of the discussion.

2. Year end financial update

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis provided a verbal update on the current forecast of a £250k underspend to the end of March 2018.

Management Team discussed the report to be considered by the Remuneration and Human Resources Committee on pay negotiations and welcomed a discussion around the medium term financial modelling required in light of the removal of the pay cap by the Scottish Government. Stuart advised work was underway to assess the financial impact on the budget and fee strategy in the short and medium term and also advised of planning underway for the allocation of funding for the expanded new financial powers work resource.

Management Team welcomed the discussion and agreed they were content with the forecast for the current financial year.

3. Draft agenda: Management Team 27 March 2018

Management Team noted the draft agenda for the meeting on 27 March 2018.

4. Any other business

There was no further business.

5. Date of next meeting

The next meeting of Management Team will take place on Tuesday 27 March 2018.

Management Team

Tuesday 27 March 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Lorna McEwan (Minutes)

Apologies:

In attendance:

Mark Taylor, Assistant Director, Audit Services Group
Rebecca Seidel, Audit Manager, PABV
Lynn Scott, BSS Manager
Martin Walker, Assistant Director, Corporate Performance and Risk
David Blattman, HR & OD Manager

1. Minutes of meeting:

20 March 2018

Management Team considered the draft minutes dated 20 March 2018 and agreed they were an accurate record of the meeting.

2. New financial powers update

Mark Taylor, Assistant Director and Rebecca Seidel, Audit Manager joined the meeting.

Rebecca Seidel introduced the New financial powers and constitutional change update, which subject to approval, would be considered by the Board on 2 May 2018.

During discussion Management Team recognised the significant developments since the last Board update in November 2017 which included the latest publication in a series of performance audits on managing the implementation of the Scotland Acts on 28 March 2018.

Management Team recognised the work undertaken to build capacity for additional work in 2018/19 in response to financial devolution, and welcomed the establishment of two new teams with responsibility for auditing social security and public financial management.

Management Team welcomed the two planned budget process sessions scheduled to take place in West Port on 11 and 18 May 2018.

Following discussion Mark agreed to circulate the final version of the paper to Management Team for comment week commencing 16 April 2018, to provide the opportunity to comment on any updates and amendments prior to consideration by the Board on 2 May 2018.

Action: Mark Taylor to circulate the final version of the paper to Management Team week commencing 16 April 2018, for final comment and approval. (April 2018)

3. Business Support Services review

Lynn Scott, Business Support Manager and Martin Walker, Assistant Director joined the meeting.

Lynn Scott introduced the Business Support Services strategic overview report, a copy of which had been previously circulated.

Lynn summarised the key highlights from the report and invited Management Team to consider the proposal for increasing the establishment as set out in table 3 of the paper.

Following discussion, Management Team agreed that one vacant post to be filled and following a settling in period of the new BSS Manager, revisit the remaining post. Lynn agreed to give further consideration to the role of the new resource before making a final recommendation.

Management Team congratulated Lynn on her recent success in securing employment with the Scottish Ambulance Service. They expressed enormous appreciation for her achievements over the last five years with Audit Scotland and wished her well in her new role.

Action: Lynn Scott to give further consideration to the role of the new BSS resource.

Martin Walker, Assistant Director left the meeting.

4. 2018 Audit Scotland Conference feedback

Lynn Scott introduced the Audit Scotland 2018 staff conference feedback report, which had been previously circulated.

Following discussion of the results of the survey questionnaire Management Team noted that 94% were very satisfied / satisfied with the conference overall. It was agreed that an all staff conference should take place in 2019 and that a working group would be set up to organise the event. It was agreed that Diane would liaise with the 2018 conference team to take this forward.

Following on from the interest generated at the breakout sessions at the conference, Management Team agreed that knowledge cafes be organised for City Deals, Digital Auditing and EU withdrawal.

Management Team expressed appreciation and thanks to Lynn Scott, Jim Rundell and the working group for the success of the Audit Scotland 2018 Conference.

Action: Diane McGiffen to contact the 2018 working group to discuss plans for the 2019 conference, agree an outline and take forward arrangements. (April 2018)

Lynn Scott left the meeting.

5. Summary from Accounts Commission Strategy seminar

Paul Reilly joined the meeting.

Paul Reilly introduced the Accounts Commission strategy seminar 2018 summary paper, a copy of which had been previously circulated.

Fraser McKinlay summarised the key highlights from the seminar and invited Management Team to note the positive engagement throughout the event.

Management Team noted that the revised strategy would be considered at the Accounts Commission meeting of 10 May 2018.

6. Draft agenda: Accounts Commission meeting 12 April 2018

Paul Reilly introduced the draft agenda for the Accounts Commission meeting scheduled for 12 April 2018.

Following discussion and subject to minor amendment, Management Team noted the draft agenda for the meeting on 12 April 2018.

Paul Reilly left the meeting.

7. Workforce plan

Mark Taylor, Assistant Director and David Blattman, HR & OD Manager joined the meeting.

David Blattman introduced the draft Workforce plan, a copy of which had been previously circulated.

David summarised the contents of the report and invited Management Team to comment.

Management Team welcomed sight of the plan and following discussion agreed that the plan should be more streamlined and include further consideration of future capacity and skills.

Action: Mark Taylor and David Blattman to revise the draft Workforce plan. (April 2018)

Mark Taylor, Assistant Director and David Blattman, HR & OD Manager left the meeting.

8. Draft agenda: Management Team 10 April 2018

Management Team noted the draft agenda for the meeting of 10 April 2018.

9. Any other business

There was no further business.

10. Date of next meeting: 10 April 2018

The next meeting of Management Team will take place on Tuesday 10 April 2018.

Management Team

Monday 9 April 2018, 3.30pm

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Fiona Kordiak
Fraser McKinlay
Nicola Constable (Minutes)

Apologies:

Caroline Gardner

In attendance:

Elaine Boyd, Assistant Director, Corporate Services Group (by telephone)
Fiona Daley, Consultant (by telephone)
John Gilchrist, Manager, Corporate Services Group
Owen Smith, Senior Manager, Corporate Services Group
Tricia Meldrum, Senior Manager, Performance Audit and Best Value
Martin Walker, Assistant Director, Corporate Performance and Risk

1. Minutes of meeting:

27 March 2018

The draft minutes dated 27 March 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

2. Draft Audit Quality monitoring report

Elaine Boyd Assistant Director, Fiona Daley, Consultant, Owen Smith and John Gilchrist, Senior Managers, joined the meeting.

Elaine Boyd introduced the Draft Audit Quality Monitoring report, a copy of which had been previously circulated. Elaine summarised the main areas from the report and welcomed any comments from Management Team.

Management Team welcomed the assurance that overall annual audits were compliant with the Code of Audit Practice and the ISAs and discussed areas for future improvement.

During detailed discussion, Management Team provided comments and suggestions on the report and specifically around engagement across the organisation on the quality of annual audit reports prior to consideration by Management Team.

Management Team welcomed the discussion and thanked the team for their work in producing the report, acknowledging this was a new report and was in good shape with substantive material to take forward.

Following discussion, the team agreed make further amendments prior to consideration by the Accounts Commission and Audit Committee.

Action: Elaine Boyd to revise the draft Audit quality monitoring report prior to consideration by the Accounts Commission and Audit Committee. (April 2018)

3. Review of prior period error report

Elaine Boyd introduced the Review of prior period error report, a copy of which had been previously circulated.

Management Team welcomed the report and discussed the issues arising as part of the main audit quality monitoring report.

Elaine Boyd, Fiona Daley, Owen Smith and John Gilchrist left the meeting.

4. Engagement with young people

Tricia Meldrum, Senior Manager, joined the meeting.

Diane introduced the Engagement with young people paper, a copy of which had been previously circulated, which subject to approval, would be considered by the Board on 2 May 2018. Tricia Meldrum highlighted the two main themes they are proposing to take forward.

Fraser McKinlay noted that the year of the young people provided a good opportunity to continue our engagement with young people and build on our work as part of the public sector family.

Following discussion, Management Team noted the paper and agreed to support the actions going forward.

Tricia Meldrum left the meeting.

5. Corporate plan 2018/21

Martin Walker, Assitant Director, Corporate Performance and Risk, joined the meeting.

Martin Walker introduced the updated Corporate Plan, which subject to approval, would be considered by the Board on 2 May 2018.

Martin highlighted the main areas amended from the previous draft and invited Management Team to consider and comment on the revised draft of the Corporate Plan for 2018 to 2021.

Management Team thanked Martin for his work in revising the draft following previous Board consideration in March and all agreed it is looking in good shape.

During discussion Management Team provided comments and feedback around the first part of the Plan and suggestions for minor areas of restructuring within the document.

Following discussion, Management Team welcomed the updated report and agreed a draft, subject to above mentioned changes, for consideration by the Board.

Action: Martin to revise the draft Corporate Plan. (April 2018)

Martion Walker left the meeting.

6. Draft agenda: Accounts Commission Committees meeting 26 April 2018

Management Team noted the draft agendas for the Committee meetings on 26 April 2018.

7. Draft agenda: Management Team 17 April 2018

Management Team noted the draft agenda for the meeting on 17 April 2018.

8. Any other business

There was no further business.

9. Date of next meeting: 17 April 2018

The next meeting of Management Team will take place on Tuesday 17 April 2018.

Management Team

Tuesday 17 April 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Fiona Kordiak (Chair)
Diane McGiffen (by telephone)
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

Caroline Gardner

In attendance:

Stuart Dennis, Corporate Finance Manager
Antony Clark, Assistant Director, Performance Audit and Best Value
Claire Robertson, BDO
Andrew O'Donnell, BDO
Alex Devlin, Corporate Governance Manager

1. Minutes of meeting: 9 April 2018

The draft minutes dated 9 April 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

2. 2018 Pay award negotiations update

Diane McGiffen provided a summary of the pay offer which aligns with the Scottish Government's guidance and advised of the timeline of a response from the Union, all of which had been communicated to colleagues yesterday.

Management Team welcomed the update.

3. 2018/19 Operational budget

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2018/19 Operational budget report, a copy of which had been previously circulated.

Stuart invited Management Team to note the proposed adjustment to the budget to accommodate the impact of Audit Scotland's pay offer.

Management Team considered the proposed adjustments to manage a now fully committed budget, including the reallocation of the Audit Strategy budget, the proposed vacancy factor, regular monitoring of the budget for new financial powers resourcing and review of uncommitted budgets such as the Management Team contingency.

Management Team recognised the proposed budget was much tighter but with careful management it retained some flexibility and discussed the proposal to incorporate a payroll contingency in future budgets. In addition, Management Team agreed they would welcome early sight of the learning and development strategy for the next two years to ensure we can

maintain delivery of the programme. Diane McGiffen agreed to discuss this with PDGG and HR.

Following discussion, Management Team agreed a blanket vacancy factor should apply across the organisation with enhanced monthly reporting around the new financial powers and uncommitted budgets to ensure clear monitoring. Management Team also agreed they would welcome more scrutiny and discussion around fees and billing as part of the quarterly performance reporting.

Management Team welcomed the report.

Action: Diane McGiffen to liaise with PDGG and HR to bring the learning and development strategy to Management Team. (May 2018)

Stuart Dennis left the meeting.

4. Review of the new approach to auditing Best Value

Fraser McKinlay introduced the Review of the new approach to auditing Best Value report, which had been previously circulated.

Fraser invited Management Team to note the report which had been considered by the Accounts Commission on 8 February 2018 and subject to agreement was to be considered by the Board at its meeting on 2 May 2018.

Management Team reflected on the report and agreed it would be updated to include the amendments made to the guidance to auditors as a consequence of the review before it is submitted to the Board.

Action: Fiona Mitchell Knight to update the Board report. (April 2018)

5. Work programme and publication schedule

Antony Clark, Assistant Director, Performance Audit and Best Value, joined the meeting.

Antony Clark introduced the Work programme and publication schedule report, which subject to approval, would be considered by the Board on 2 May 2018.

Antony invited Management Team to note the report provided oversight of the rolling work programme from 2018 to 2022 together the publication schedule to 2019/20.

Management Team acknowledged the comprehensive programme of work and welcomed the inclusion of impact reporting and subject to amendment approved its submission to the Board.

Action: Antony Clark to update the Board report. (April 2018)

Anthony Clark left the meeting.

6. Internal audit priorities discussion

Claire Robertson and Andrew O'Donnell, BDO and Alex Devlin, Corporate Governance Manager, joined the meeting.

Alex Devlin introduced the discussion with BDO and invited Management Team to discuss the key risks and audit assessments in order to inform the new programme of internal audit, a draft of which would come to Management Team ahead of the Audit Committee meeting on 23 May 2018.

Fiona Kordiak welcomed Claire Robertson and Andrew O'Donnell to the meeting before opening the discussion with Management Team.

During discussion, Management Team considered some of the key risks facing the organisation including capacity, workforce development and opportunities, quality outputs, digital skills and security, complaints handling, finance planning and fee charging mechanisms, the National Fraud Initiative and GDPR and records managements. In addition, Management Team would welcome BDO bringing an efficiency lens to our controls and processes.

Claire Robertson advised the next steps would be for BDO to propose a programme of internal audit work which would be shared with Management Team ahead of its presentation to the Audit Committee on 23 May 2018.

Action: BDO to provide a draft programme of internal audit reporting prior to the Audit Committee. (April 2018)

7. Data protection policy

Alex Devlin introduced the Data protection policy report, a copy of which had been previously circulated.

Alex invited Management Team to consider the updated policy which subject to agreement would be submitted to the Board for approval on 2 May 2018.

Management Team considered the updated policy and sought assurance on the main changes, the reporting and governance arrangements for Audit Scotland, assurance around resource requirements and our overall preparedness. Alex advised that the main change to the policy related to justifying the lawful use of personal data and invited Management Team to note progress made included a refreshed e-learning module, which colleagues would be invited to do in advance of the new regulations coming into effect as well as updates to our website.

Following discussion, Management Team agreed they would welcome a report on the overall governance arrangements and our preparedness for GDPR.

Action: Alex Devlin to report on the governance arrangements for GDPR. (May 2018)

8. Information security management policy

Alex invited Management Team to consider the updated policy which subject to approval would be considered by the Board on 2 May 2018.

Management Team considered the policy and approved its submission to the Board for consideration at its meeting on 2 May 2018, subject to showing the minor amendments in track changes for ease of reference.

Action: Alex Devlin to track the amendments to the policy prior to submission to the Board. (April 2018)

9. Draft agenda: Management Team 24 April 2018

Management Team noted the draft agenda for the meeting on 24 April 2018.

10. Any other business

Fiona Kordiak provided Management Team with a brief summary of the meeting to discuss quality and reporting with the Appointments and Assurance and Professional Support teams yesterday.

11. **Date of next meeting: 24 April 2018**

The next meeting of Management Team will take place on Tuesday 24 April 2018.

Management Team

Tuesday 24 April 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

None

In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk
Alex Devlin, Corporate Governance Manager
David Blattman HR & OD Manager
Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting: 17 April 2018

The draft minutes dated 17 April 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Data Protection: GDPR compliance update

Martin Walker, Assistant Director, Corporate Performance and Risk and Alex Devlin, Corporate Governance Manager, joined the meeting.

Alex Devlin introduced the Data Protection: GDPR compliance update report, a copy of which had been previously circulated.

Alex invited Management Team to note the progress made towards GDPR compliance and provided a verbal update on recent progress of the Bill through Parliament together with details of next steps and associated resource implications.

During detailed discussion, Management Team agreed that additional resource should be secured in order to undertake the population of the Personal Information Processing Register and the Legitimate Interests Assessment as a priority. In addition, Management Team agreed that KITGG would have an oversight for policy compliance and noted that the mandatory e-learning package had been updated and would be shared with colleagues on Wednesday 25 April 2018.

Following discussion, Management Team welcomed the assurance provided around Audit Scotland's preparedness for GDPR which comes into force on 25 May 2018.

3. Annual assurance reporting for 2017/18

Alex Devlin introduced a number of annual assurance reports for 2017/18 and invited Management Team to consider them before recommending to the Audit Scotland Board or Audit Committee for approval.

- 2017/18 Annual report on Whistleblowing

Alex advised Management Team that there had been no disclosures reported. Alex invited Management Team to note that the Scottish Government had confirmed steps being taken to reinstate Audit Scotland as a prescribed person by 1 August 2018. Management Team welcomed the assurance provided.

- 2017/18 Annual report on Bribery and fraud

Alex advised Management Team that there had been no cases of fraud or bribery identified or detected in Audit Scotland. Management Team welcomed the assurance provided.

- 2017/18 Annual report on Hospitality and gifts

Alex invited Management Team to note the hospitality and gifts recorded and assurance that our governance arrangements continue to be fit for purpose. Management Team welcomed the assurance provided.

- 2017/18 Annual report on Information governance and security

Alex invited Management Team to note the assurance provided following a review by the KITGG of our information governance and security management at Audit Scotland. Management Team welcomed the report.

- 2017/18 Annual report on data loss/incidents

Alex invited Management Team to note there had been 12 incidents reported in the year. Management Team asked whether there were any emerging trends and Alex confirmed the number of incidents fluctuate year on year with no specific trends to report. Management Team welcomed the assurance provided.

Following consideration, Management Team thanked Alex for the assurance reports and recommended them to the Board or Audit Committee for approval.

Action: Alex Devlin to submit the assurance reports to the Board/Audit Committee. (May/June 2018)

Martin Walker and Alex Devlin left the meeting.

4. Agenda: Board 2 May 2018

Management Team noted the agenda for the Board meeting on 2 May 2018.

5. Draft agenda: Management Team 1 May 2018

Management Team noted the draft agenda for its meeting on 1 May 2018.

6. Draft agenda: Leadership Group 9 May 2018

Management Team considered the proposed agenda for the meeting of the Audit Committee on 23 May 2018 and following discussion agreed the two reports on Quality should be combined.

7. Draft agenda: Remuneration and Human Resources Committee 23 May 2018

David Blattman, HR & OD Manager, joined the meeting.

David Blattman invited Management Team to consider the draft agenda and invited any comments on the items to be considered.

Management Team noted the agenda and agreed that a review later in the year would be scheduled to consider the option for a multi year pay policy alongside ongoing recruitment and retention.

In addition, Diane McGiffen, Fraser McKinlay and Fiona Kordiak agreed to meet at the conclusion of the meeting to discuss the refreshed Management Team role profiles.

Management Team welcomed the agenda.

Action: David Blattman to schedule a report for a multi year pay policy. (TBC 2018)

David Blattman left the meeting.

8. Draft agenda: Accounts Commission 10 May 2018

Paul Reilly, Secretary to the Accounts Commission, joined the meeting.

Paul Reilly invited Management Team to consider the proposed agenda for the Accounts Commission meeting on 10 May 2018.

Management Team noted the two Best Value reports scheduled and the Commission strategy update report following on from their recent strategy seminar.

Management Team welcomed the discussion.

Paul Reilly left the meeting.

9. Any other business

Management Team discussed recent evidence sessions at Parliament and considered the forthcoming refresh of the Public Audit in Scotland publication and associated engagement plan.

10. Date of next meeting: 1 May 2018

The next meeting of Management Team will take place on Tuesday 1 May 2018.

Management Team

Tuesday 1 May 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Lorna McEwan (Minutes)

Apologies:

None

In attendance:

James Gillies, Communications Manager
Mark Taylor, Assistant Director, Audit Services
Angela Canning, Assistant Director, Performance Audit and Best Value
Anne Cairns, Manager, Benefits
Alex Devlin, Corporate Governance Manager
Catherine Young, Audit Manager
Dorothy Lavery, Auditor
Antony Clark, Assistant Director, Performance Audit and Best Value
Elaine Boyd, Assistant Director, Appointments and Assurance
Owen Smith, Senior Manager, Appointments and Assurance
John Gilchrist, Manager, Appointments and Assurance
Martin Walker, Assistant Director, Corporate Performance and Risk
Mark Roberts, Senior Manager, Performance Audit and Best Value
Kirstin Scott, Auditor, Performance Audit and Best Value

1. Minutes of meeting: 24 April 2018

The draft minutes dated 24 April 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Communications Digest

James Gillies, Communications Manager and Mark Taylor, Assistant Director, Audit Services, joined the meeting.

James Gillies introduced the Communications Digest, a copy of which had been previously circulated.

James summarised the key highlights from the report and invited Management Team to note the high level of activity reported.

Management Team discussed the range of coverage received as well as the level of recent activity within the Scottish Police Authority and Police Scotland.

Following discussion, Management Team welcomed the overview and agreed that more briefings would be offered to Board members to further enhance the profile and branding of Audit Scotland.

Action: Diane McGiffen to take forward the suggestion of additional briefings for Board members. (June 2018)

3. Hotlist of emerging audit risks

Mark Taylor introduced the Hotlist of emerging audit risks report, which had been previously circulated.

Management Team welcomed the report and expressed appreciation to all Assistant Directors, noting that the process is now well embedded and working very well.

Mark invited Management Team to note the emerging audit risks reported and welcomed any comments on the watchlist and proposed closure of risks.

During detailed discussion, Management Team agreed that one item should be closed and the Hotlist would be updated accordingly.

Mark Taylor and James Gillies left the meeting.

4. 2017/18 Annual report: International work

Antony Clark, Assistant Director, Performance Audit and Best Value, joined the meeting.

Antony Clark introduced the Annual report on International work, a copy of which had been previously circulated.

Antony invited Management Team to note the high level of activity reported coupled with the shift of emphasis to focus on what we can learn from audit work in other countries and how this can be incorporated into our own work.

Management Team welcomed the report and subject to minor amendment, approved its submission to the Audit Scotland Board.

Action: Diane McGiffen to feed back comments to Antony Clark outwith the meeting. (May 2018)

Antony Clark left the meeting.

5. Code of data matching practice

Angela Canning, Assistant Director, Performance Audit and Best Value, Anne Cairns, Manager, Professional Support, and Alex Devlin, Corporate Governance Manager, joined the meeting.

Angela Canning introduced the Code of data matching practice report, a copy of which had been previously circulated, and invited Management Team to comment, prior to issue for wider consultation.

Management Team welcomed the report and following discussion, agreed that, subject to amendment the draft Code could be issued for public consultation.

Alex Devlin and Anne Cairns left the meeting.

6. 2017/18 Annual report on correspondence

Catherine Young, Audit and Correspondence Manager, and Dorothy Lavery, Auditor, joined the meeting.

Angela Canning introduced the 2017/18 Annual report on correspondence, a copy of which had been previously circulated.

Angela summarised the highlights from the report and invited comments from Management Team.

Management Team welcomed the report and noted the increase in volume of whistleblowing disclosures and increased engagement with firms.

Following discussion, it was agreed that the title of the report would be revised to reflect the increasing number of whistleblowing disclosures.

Subject to amendment, Management Team approved the report for submission to the Audit Scotland Audit Committee.

Action: Fraser McKinlay to feed back comments to the Correspondence team outwith the meeting. (May 2018)

Caroline Gardner to meet with Catherine Young in a few months time. (September 2018)

Angela Canning, Dorothy Lavery and Catherine Young left the meeting.

7. 2017/18 Annual assurance reporting:

- FOI and EIR
- Complaints

Alex Devlin, Corporate Governance Manager, joined the meeting.

Alex Devlin summarised the highlights from the 2017/18 annual report on complaints and the 2017/18 annual report on freedom of information, copies of which had been previously circulated.

A discussion followed on how we will deal with complaints about audit quality either within our complaints handling process or develop an alternative process outside complaints and a report would be considered by Management Team at a forthcoming meeting.

Management Team welcomed the reports.

Action: Alex Devlin and Elaine Boyd to report on the process of complaints about audit quality at a future meeting of Management Team. (TBC)

Alex Devlin left the meeting.

8. 2017/18 Annual report: Audit Quality

Elaine Boyd, Assistant Director, Owen Smith, Senior Manager, John Gilchrist, Manager, Audit Appointments and Assurance, and Fiona Daley, Consultant, joined the meeting.

Elaine Boyd introduced the annual report on Audit Quality, a copy of which had been previously circulated.

Elaine summarised the highlights from the report and invited comments from Management Team.

Following discussion, Management Team suggested areas for refinement.

Management Team welcomed the discussion.

Action: Fiona Kordiak and Fraser McKinlay to feed back refinements to Elaine Boyd prior to Diane McGiffen's approval of the final version of the report. (May 2018)

Elaine Boyd, Owen Smith, John Gilchrist and Fiona Daley left the meeting.

9. Review of risk register

Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.

Martin Walker introduced the review of risk register report, a copy of which had been previously circulated.

Management Team noted that the risk around the impact of EU withdrawal continues to evolve in a complex and rapidly changing environment and was reassured to note the current arrangements to actively monitor developments as they arise.

Following discussion on the failure of quality and the failure of capacity, Management Team suggested refinements which would be incorporated into the register prior to submission to the Audit Committee on 23 May 2018.

Management Team welcomed the discussion.

10. Review of Risk management framework 2018

Martin Walker introduced the review of risk management framework, a copy of which had been previously distributed.

Management Team welcomed the report and a discussion followed on risk escalation.

Following discussion, Management Team approved the revisions to the risk management framework following its last review by the Audit Committee in June 2016.

Management Team approved the submission of the report to the Audit Committee at its meeting on 23 May 2018.

11. Risk interrogation: Failure to assess the impact of and response to EU withdrawal

Mark Roberts, Senior Manager, and Kirstin Scott, Auditor, joined the meeting.

Mark Roberts introduced the risk interrogation report: failure to assess the impact of and response to EU withdrawal, a copy of which had been previously distributed.

Management Team welcomed the report and noted the additional measures in place to mitigate risk in this area. In addition, Management Team noted that three sector meetings would take place in May 2018 and feedback from the firms would be noted in this respect.

Subject to minor amendment, Management Team approved the report for submission to the Audit Committee on 23 May 2018.

Mark Roberts and Kirstin Scott left the meeting.

12. Annual Internal audit plan 2018/19

Martin Walker introduced the annual internal audit plan 2018/19, authored by BDO, which had previously been circulated.

Martin summarised the key highlights from the report and following discussion it was agreed to amend the phasing of the plan (appendix III).

Management Team welcomed the discussion.

Action: Fraser McKinlay to sponsor the review of Impact. Martin Walker to liaise with BDO in respect of the phasing of the plan. (May 2018)

13. Draft agenda: Management Team 8 May 2018

Subject to minor amendment, Management Team approved the draft agenda for the meeting scheduled to take place on 8 May 2018.

14. Any other business

A brief discussion took place on the recent pay award.

15. Date of next meeting

The next meeting of Management Team would take place on Tuesday 8 May 2018.

Management Team

Tuesday 8 May 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Joy Webber(Minutes)

Apologies:

None

In attendance:

Stuart Dennis, Corporate Finance Manager
Martin Walker, Assistant Director, Corporate Performance and Risk
David Blattman, HR & OD Manager

1. Minutes of meeting: 1 May 2018

The draft minutes dated 1 May 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Q4 Financial performance report

Stuart Dennis, Corporate Finance Manager, and Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.

Stuart Dennis introduced the Q4 Financial performance report, a copy of which had been previously circulated.

Stuart invited Management Team to note the net operating underspend of £643k.

Management Team discussed the various elements making up the underspend namely in-house fee income, increased EAFA audit work and ISA19. Management Team recognised the ongoing work to better forecast shifts in fees, the adoption of a simpler formula for calculating work in progress and noted the dashboard and efficiency savings schedule.

Turning to the variances between budget and spend in a small number of areas, Management Team agreed these should be explained more fully in the report to the Audit Committee and Board.

Following discussion, Management Team welcomed the clarity of the report and agreed to share any additional comments with Stuart after the meeting.

3. Q4 Corporate performance report

Martin Walker introduced the Q4 Corporate performance report, a copy of which had been previously circulated.

Martin invited Management Team to consider and comment on the report prior to its consideration by the Board in June 2018.

Management Team noted the strong performance reported in the quarter and the overall summary of performance through the year together with forthcoming areas for development.

Following discussion, Management Team agreed a number of amendments to strengthen the actions around quality monitoring and inclusion of forthcoming developments including the recruitment campaign to build capacity and skills to deliver work.

Management Team welcomed the report.

4. **Q4 Becoming world class improvement programme report**

Martin Walker introduced the Q4 Becoming world class improvement programme report, which had been previously circulated.

Martin invited Management Team to note the strong performance and developments reported across New financial powers and social security, quality monitoring and reporting, Workforce planning and learning and development, career development gateways (CDG) and the development of the performance management framework.

Management Team welcomed the report and expressed their thanks to colleagues and teams involved in supporting and delivering CDG.

During detailed discussion, Management Team reflected on the number of projects completed as part of the improvement programme and agreed the report should say more about the transitional work involved. In addition, Management Team would welcome a Leadership Group development discussion on the improvement programme agenda 2018-21.

Management Team welcomed the report and subject to minor amendment, approved its submission to the Audit Scotland Board.

Action: Diane McGiffen to schedule a Leadership Group development discussion for future improvement programme projects. (June 2018)

Stuart Dennis, Corporate Finance Manager, and Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.

5. **Audit Quality: Improvement actions**

Fiona Kordiak and Fraser McKinlay introduced the Audit Quality: Improvement actions report, which had been previously circulated.

Fiona invited Management Team to note the report scheduled to be considered by the Audit Committee on 23 May 2018 which set out the improvement actions arising after consideration of the ICAS and the cold reviews.

Management Team discussed the findings and welcomed the proposed areas of improvement, agreeing it would be helpful to include additional information around resourcing, culture and training in the report prior to consideration by the Audit Committee.

6. **Talent management and succession planning**

David Blattman, HR & OD Manager, joined the meeting.

David Blattman introduced the Talent management and succession planning report, a copy of which had been previously circulated.

David invited Management Team to note the enhanced reporting in consideration of the internal audit recommendations and welcomed any comments prior to its submission to the Remuneration and Human Resources Committee meeting on 23 May 2018.

During detailed discussion, Management Team reflected on the early success of CDG and considered any trends in the resignations reported in the past year.

Following discussion, Management Team welcomed the report and agreed it should be amended to include reference to the significant recruitment campaign.

7. 2018 Pay award outturn

David Blattman introduced the 2018 Pay outturn report, which had been previously circulated and would be considered by Remco at its meeting on 23 May 2018.

Management Team noted the report and David advised the report which would be adjusted following receipt of the result of the PCS pay award ballot expected on 9 May 2018.

Management Team welcomed the report.

8. Draft agenda: Management Team 15 May 2018

Subject to minor amendment, Management Team approved the draft agenda for the meeting scheduled to take place on 15 May 2018.

9. Any other business

Caroline Gardner provided an update on Board membership and succession planning.

Fraser McKinlay advised of potential secondment opportunities arising in light of a competitive recruitment market for auditors. Management Team reflected on the technical aspects of our existing programme and agreed engagement should also feature as part of the training.

10. Date of next meeting

The next meeting of Management Team would take place on Tuesday 15 May 2018.

Management Team

Tuesday 15 May 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen
Fiona Kordiak
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

Caroline Gardner

In attendance:

David Blattman, HR & OD Manager
Alex Devlin, Corporate Governance Manager

1. Minutes of meeting: 8 May 2018

The draft minutes dated 8 May 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. 2017/18 Annual report: Health, safety and wellbeing

David Blattman, HR & OD Manager, joined the meeting.

David Blattman introduced the 2017/18 annual report on Healthy, safety and wellbeing, which had been previously circulated.

David invited Management Team to note the overall positive report and reflect on the two reportable incidents, both of which occurred within the main communal areas of West Port and Nelson Mandela Place. Management Team acknowledged Colin Pentland's engagement with the respective landlord's management regarding these incidents.

During discussion, Management Team reflected on the low levels of sickness recorded and Diane McGiffen advised that despite low levels of stress related absence the Health, Safety and Wellbeing Committee continued to consider options to support mental health and wellbeing. Management Team also noted HR will consider how to reduce the level of annual leave being carried forward.

Following discussion, Management Team welcomed the report.

3. 2017/18 Annual report: Diversity and equality

David Blattman introduced the 2017/18 annual report on Diversity and equality, a copy of which had been previously circulated.

David invited Management Team to consider this interim annual report which had been prepared and welcomed any comments prior to its submission to the Remuneration and Human Resources Committee (Remco) meeting on 23 May 2018 and subsequent publication.

Management Team discussed the benefits of this interim reporting which provided a useful update on equalities in our workforce and noted that the next publication will also include information relating to the Career Development Gateways.

Management Team welcomed the report and approved its submission to Remco.

4. Audit Scotland's Gender pay gap report

David Blattman introduced the report on Audit Scotland's Gender pay gap, which had been previously circulated.

David invited Management Team to note the report to be considered by Remco at its meeting on 23 May 2018.

Management Team discussed the report and welcomed the assurance that Audit Scotland compares well with other employers and recognised the redesigned pay and reward strategy had helped to reduce the gender pay gap over time.

Following discussion, Management Team noted the annual reporting now required and agreed they would like to see more data on the trainee programme included in the report before its submission to Remco.

Management welcomed the report.

David Blattman left the meeting.

5. Internal audit recommendations

Alex Devlin, Corporate Governance Manager, joined the meeting.

Alex Devlin introduced the Internal audit recommendations report, which had been previously circulated and would be considered by the Audit Committee at its meeting on 23 May 2018.

Alex invited Management Team to note progress on the implementation of outstanding audit recommendations.

Management Team considered the report in detail, noting a number of recommendations had been completed which were currently reported as partially complete and in some areas had developed well beyond the recommendation. Management Team agreed expansion of the Management responses was required and discussed with BDO in order to agree the closure of completed items. In addition, Management Team agreed key milestones around MKI should be included.

Management Team welcomed the report.

6. Report and certificates of assurance

Alex Devlin, Corporate Governance Manager, joined the meeting.

Alex Devlin introduced the Report and certificates of assurance, which had been previously circulated and would be considered by the Audit Committee and Board on 6 June 2018.

Management Team welcomed the assurance provided, noting the ongoing monitoring arrangements and agreed submission of the report to the Audit Committee and Board.

Management Team welcomed the report.

7. Management Team terms of reference

Diane McGiffen introduced Management Team terms of reference, a copy of which had been previously circulated.

During detailed discussion, Management Team agreed a clearer statement of the purpose of Management Team would be welcomed together with some streamlining of the document.

Following discussion, Management Team welcomed the report.

8. Draft agenda: Management Team 22 May 2018

Management Team noted the draft agenda for 22 May 2018 and agreed to deal with the two items by correspondence. The next formal meeting of Management Team would take place on Tuesday 5 June 2018.

9. Draft agenda: Audit Committee 6 June 2018

Management Team noted the draft agenda for the meeting of the Audit Committee on 6 June 2018.

10. Draft agenda: Board 6 June 2018

Management Team noted the draft agenda for the meeting of the Board on 6 June 2018.

11. Any other business

Management Team congratulated Fiona Kordiak on her recent appointment as Senior Vice Chair of CIPFA.

Diane McGiffen provided a verbal update on the outcome of the 2018 pay award.

Fiona Kordiak briefed Management Team following the Audit Services Group Management Team's away day on Monday 14 May 2018.

12. Date of next meeting

The next meeting of Management Team would take place on Tuesday 5 June 2018.

Management Team

Tuesday 5 June 2018, 11.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Lorna McEwan (Minutes)

Apologies:

None

In attendance:

Antony Clark, Assistant Director, Performance Audit and Best Value
Kirsty Ridd, Senior Auditor, Performance Audit and Best Value
Dharshi Santhakumaran, Audit Manager, Performance Audit and Best Value

1. Minutes of meeting: 15 May 2018

The draft minutes dated 15 May 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Impact reporting

Antony Clark, Assistant Director, Kirsty Ridd, Senior Auditor and Dharshi Santhakumaran, Audit Manager, joined the meeting.

Antony Clark introduced the impact reports in respect of Modern Apprenticeships, Community Planning (an update) and Maintaining Scotland's Roads (a follow-up report), which had been previously circulated.

Antony invited Management Team to note that overall the reports had an impact across all four of Audit Scotland's audit dimensions, whilst contributing to national developments in their respective policy areas.

Management Team noted good levels of progress in implementing the recommendations contained in two reports and welcomed the proposed ongoing programme development activity linked to the three policy areas.

Following a discussion on how to publicise the report, Management Team agreed Twitter would be the best tool to use on this occasion.

Management Team welcomed the report.

Antony Clark, Kirsty Ridd and Dharshi Santhakumaran left the meeting.

3. Update from Remco and Audit Committee meetings 23 May 2018

A discussion followed on the outcomes of the Remco and Audit Committee meetings. Management Team noted that both meetings had been straightforward with useful discussion on the items considered.

4. Draft agenda: Management Team 12 June 2018

In the absence of Management Team meetings until 17 July 2018, it was agreed that colleagues would use take the opportunity to review activities covering the next four weeks.

It was also agreed that a discussion would take place on the approach to the launch of the Corporate Plan.

It was agreed the draft agenda would be amended accordingly.

5. Any other business

Management Team discussed a timeline of key events and milestone to 2023. It was agreed that Martin Walker would develop the timeline further to incorporate a wider range of milestones including project milestones for the next Code of Audit Practice and audit procurement round.

A discussion followed on the structure of future Management Team agendas and colleagues noted that this would be further discussed at next week's meeting.

6. Date of next meeting

The next meeting of Management Team would take place on Tuesday 12 June 2018.