



**MINUTES OF MANAGEMENT GROUP
MEETINGS 2009**

AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD ON 13 JANUARY 2009

Present: Bob Black,
Caroline Gardner
Diane McGiffen
Russell Frith
Barbara Hurst
David Pia
Fiona Kordiak
Lynn Bradley

Apologies: None

In attendance: Angela Cullen joined the meeting for *Item 2*
Jennie Mathieson joined the meeting for *Item 3*

1.	Note of previous meeting	LEAD	DEADLINE
	The minutes of the previous meeting of 16 December 2008, which had been circulated, were agreed as an accurate record.		
2.	Best value review: Audit Scotland's use of consultants		
	<p>Angela Cullen joined the group and introduced the best value report her team had produced on Audit Scotland's use of consultants. The review had been conducted alongside the performance audit on the use of consultants in central government. The review, based on the same criteria and methodology used in the national performance audit, found that in general project management approaches were strong, and many aspects of good practice were followed when planning and buying consultancy. The report also highlighted areas for improvement. Management Group approved the recommendations outlined in the report and agreed that the approach of reviewing areas of our own activity alongside national performance audit work, where appropriate, was a good practice model to adopt.</p> <p>Management Group thanked Angela and her team for the report.</p> <p style="text-align: center;"><i>Angela left the meeting</i></p>	DMCG	Immediate

3.	Equal pay report		
	<p>Jennie Mathieson joined the group and introduced the equal pay report, which had been circulated.</p> <p>Management Group discussed the findings of the report and explored some of the issues it raised.</p> <p>Management Group welcomed the report and agreed that the areas for action identified in the report should be progressed.</p> <p style="text-align: center;"><i>Jennie Matheson left the meeting</i></p>	DMCG	Immediate
4.	Developing best value		
	The Group discussed the key developments in best value across the public sector since the last meeting, and in particular, considered the issues that the Accounts Commission would be invited to take decisions on at its forthcoming meetings and strategy seminar.		
5.	Streamlining Scrutiny		
	Caroline updated the group on the range of work ongoing with scrutiny partners to streamline scrutiny since the previous meeting.		
6.	Update on pay negotiations		
	Diane, Barbara and Lynn updated the Group on the recent pay negotiation meetings with PCS.		
7.	Work plan for the year		
	<p>Following discussion, it was agreed that the following items should be scheduled for meetings of the group over the next three months:</p> <ul style="list-style-type: none"> • Risk register (Feb) • Fees and budget (March) • Impact group update (April) <p>These would be in addition to the standing items for the group which include:</p> <ul style="list-style-type: none"> • Best value • Streamlining scrutiny 		

8.	Date of next meeting		
	<p>The next meeting will be held on:</p> <ul style="list-style-type: none">• Tuesday 10 February 2009 at 9.30am on in the b at 110 George Street. <p>Apologies</p> <p>Please give your apologies to Caroline Cockburn x 1606</p>		

AUDIT SCOTLAND MANAGEMENT TEAM

MINUTE OF MEETING HELD 10 MARCH 2009

Present: Bob Black
 Caroline Gardner
 Diane McGiffen
 Russell Frith
 Barbara Hurst
 David Pia
 Fiona Kordiak

Apologies: Lynn Bradley

In Attendance: *David Beveridge attending this single item discussion*

1.	Note of previous meeting	LEAD	DEADLINE
	The minutes of the previous meeting of 13 January 2009, which had been circulated, were agreed as an accurate record.		
2.	Fees and Charges		
	<p>This was a single item meeting on the topic of fees and charges.</p> <p>The following papers had been circulated in advance for information:</p> <ul style="list-style-type: none"> • Fees and Charges • Provisional Budget Estimate 2010/11 • 2010/2011 Budget Process and Timetable • Draft Efficiency Strategy • Audit Strategy issues for discussion • Business and resource issues facing PRG – local government • Business and resource issues facing PRG – health and central government teams • Significant business and resource issues facing ASG • The Scottish Government’s budget – growth scenarios up to 2013-2014. <p>The group discussed what they would like to get out of the meeting for themselves. Objectives included:</p> <ul style="list-style-type: none"> • Better understanding of resource pressures on costs/constraints on fees over the next two years • Understanding of how our priorities are driving spending • Better understanding of resource parameters • Better understanding of our priorities • Better understanding of funding models and their impact on our work • More buy in the budget process 		

- Better understanding by audited bodies and colleagues of the fee model
- More shared ownership of the budget
- Better understanding of how the audit strategy and business planning process join up
- Developing transparent and robust messages for our stakeholders
- Better understanding of the link between quality and performance and the efficiency agenda
- Keeping our options open
- Better understanding of the problem.

The group discussed what Audit Scotland needed from the meeting. Objectives included:

- Understanding pressures/constraints on fees/costs
- Clarity about what more work needs to be done to achieve change/improvement from the discussion
- Greater transparency
- Identifying where we will generate efficiencies
- Developing a more truly corporate approach to resource allocation
- Audit Scotland looking to better using its internal resources first
- Better understanding of the fee model
- Clients happier
- Better prepared for the next few years with a better performance story
- Much greater sense of urgency about making changes to achieve efficiencies

The group reviewed the fee and funding arrangements for each sector and the external issues and delivery issues across each sector.

Key themes included:

- Who should pay for work auditing partnerships
- The impact of IFRS and ISAs
- Cost of co-ordinating scrutiny
- Delivering BV audit within existing resources
- Clarity about the performance audit study programme for local government
- Clarity about the corporate resourcing of best value auditing
- How best to fund BV work and performance audits
- Clarity about the accountability arrangements in any fee model
- The range of funding options available.

Actions:

	<p>David Hanlon will work with Barbara and David Pia to review PRG resourcing as part of the budget process to create a good understanding of the base resource requirements</p> <p>Russell and Dave Beveridge will prepare a paper fee options for the next meeting of the Management Group. The paper will be based around the discussions in the group which agreed that:</p> <ul style="list-style-type: none"> • Change is required • The indicative fee is currently misunderstood • Understanding the impact of days allocated and daily rates • Reputational risk in this area • A review of indicative fees is planned • Option appraisal of alternatives • The need to manage the message about fees • The development of greater benchmarking of fees and costs. 	<p>DH BH DP</p> <p>RF/DB</p>	<p>Immediate</p> <p>21.04.08</p>
3.	<p>The date of the next Management Group Meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 21 April at 09.30hrs and will be held in the Boardroom at Osborne House 		

AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD 21 APRIL 2009

Present: Bob Black
Caroline Gardner
Diane McGiffen
Russell Frith
Barbara Hurst
David Pia
Fiona Kordiak
Lynn Bradley

Apologies: None

In Attendance: David Hanlon joined the meeting for *Items 6 & 7*

1.	Note of previous meeting	LEAD	DEADLINE
	The minutes of the previous meeting of 10 March 2009, which had been circulated, were agreed as an accurate record.		
2 & 3.	Following up on Fees and Charges & Discussion of Funding Models		
	<p>Russell introduced his paper on funding models, which had been circulated.</p> <p>Following discussion, it was agreed that during the budget process there would be further examination of the following issues:</p> <ul style="list-style-type: none">• The potential for efficiencies through BV2• The funding of BV in Central Government and Health• The cost and funding of auditing partnerships• A review of indicative fee levels• Further benchmarking of fees	DP BH/FK DP DB/RF/LB	
4.	Charging Clients for our Work		
	<p>Lynn introduced her paper on Charging Clients for Work, which had been circulated.</p> <p>Management Group welcomed the setting up of the group to develop this work and the timescale of bringing proposals forward for further discussion by Autumn 2009.</p> <p>It was agreed that Russell would provide a paper setting out the key milestones for the next procurement round and that Lynn and Russell would consider further the process for involving the firms in this process.</p>	RF	
5.	Best Value Review of Resources: Progress Report		

	<p>Lynn and Fiona introduced their report detailing progress on the best value use of resources review in Audit Services.</p> <p>There was discussion about the impact of sector speculation and of the use of client offices.</p> <p>Management Group reviewed the action plan and progress was noted.</p>		
6.	Property Report		
	<p>David Hanlon introduced his report on property which had been circulated.</p> <p>Following discussion it was agreed that:</p> <ul style="list-style-type: none"> • Our strategy should be to consolidate the three Edinburgh offices into one property at the earliest opportunity that would reduce cost and deliver value for money. • Audit Scotland would enter into negotiations on the Aberdeen Office with a break option in December 2011 to retain flexibility • David would produce a paper for discussion on the process for relocating offices in the longer term, including the process for engaging with colleagues. 		
7.	Efficiency Strategy		
	<p>David Hanlon introduced his paper on the Efficiency Strategy, which had been circulated.</p> <p>The Group discussed the provisional budget estimate submission and assumptions, the impact of various efficiency and fee scenarios and the efficiency review programme.</p> <p>The Group endorsed the strategy and the importance of the budget review process in identifying further short, medium and long term efficiencies was expressed.</p> <p style="text-align: center;"><i>David Hanlon left the meeting</i></p>		
8.	PRG Workforce Plan 2009-2011		
	<p>Barbara introduced the working draft of the PRG Workforce Plan, which had been circulated.</p> <p>Diane and Russell provided verbal updates. It was agreed that the ongoing review of the Workforce Plan would continue at a future meeting.</p>	June 09	
10.	AOB		
	There was not further business.		

11.	<p>The next Corporate Management Forum meeting will be held on</p> <ul style="list-style-type: none">• Friday, 24 April at 12.00hrs and will be held in the Conference Room at 18GS <p>The next Management Team meeting will be held on:</p> <ul style="list-style-type: none">• Tuesday, 28 April at 09.30hrs and will be held in the Auditor General's office <p>The next Management Group meeting will be held on:</p> <ul style="list-style-type: none">• Tuesday, 5 May at 09.30hrs and will be held in the Boardroom at 110GS <p><u>Apologies</u></p> <p><i>Please give your apologies to Caroline x1606</i></p>		
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AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD 12 MAY 2009

Present: Bob Black
Caroline Gardner
Diane McGiffen
Russell Frith
Barbara Hurst
David Pia
Fiona Kordiak
Lynn Bradley

Apologies: None

In Attendance: Richard Scothorne, Rocket Science and Tricia Meldrum
joined the meeting for **Item 2**.

1.	Note of previous meeting	LEAD	DEADLINE
	The minutes of the previous meeting of 21 April 2009, which had been circulated, were agreed as an accurate record.		
2.	Presentation by Rocket Science		
	<p>Richard Scothorne from Rocket Science, and Tricia Meldrum, Chair of the Impact Group, joined the meeting and gave a presentation on the report on Approaches to Measuring Audit Scotland's Impact which had been circulated in advance of the meeting.</p> <p>Richard outlined the key findings from his research within Audit Scotland, feedback from clients and in comparison with other organisations, and highlighted areas of good and best practice as well as improvements that could be made.</p> <p>Tricia introduced the Impact Group's recommendations for taking forward the suggestions in the report, which had been circulated, and Management Group agreed that business groups should consider any resource implications of implementing the action plan during the budget review process.</p> <p>Following discussion, Management Group thanks Richard and Tricia for their work.</p> <p><i>Richard Scothorne and Tricia Meldrum left the meeting</i></p>		
3.	Impact Strategy		
	Diane introduced the Impact Strategy paper, which had been previously circulated. Following discussion it was agreed to adopt the strategy subject to some minor revisions.		
4.	Auditing Partnerships		

	<p>David Pia introduced the Auditing Partnerships report, which had been previously circulated and offered Tina Yule's apologies, as she was unable to attend the meeting.</p> <p>Following discussion, it was agreed that David should prepare a further paper for Management Group once some of the issues identified had been further progressed.</p>		
5.	Correspondence Digest – May Preview		
	The Communications Digest report, which had been previously circulated, was noted.		
6.	AOB		
	There was no further business.		
7.	<p>The next meeting of the Management Team will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 26 May at 09.30hrs and will be held in the Auditor General's Office <p>The next meeting of the Management Group will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 2 June at 09.30hrs and will be held in the Conference Room at 18 George Street <p><u>Apologies</u></p> <p><i>Please give your apologies to Caroline x1606</i></p>		

AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD 2 JUNE 2009

Present: Bob Black
Caroline Gardner
Diane McGiffen
Russell Frith
Angela Cullen
David Pia
Fiona Kordiak

Apologies: Barbara Hurst and Lynn Bradley

In Attendance: David Hanlon joined the meeting for *Item 2*

1.	Note of previous meeting	LEAD	DEADLINE
	The minutes of the meeting of 12 May 2009, which had been circulated, were agreed as an accurate record.		
2.	Statutory Accounts – 12 Months to 31 March 2009		
	<p>David Hanlon joined the meeting and presented the Draft Annual Report and Accounts for the year ended 31 March 2009. David outlined the position at the year end against budget and against previous years' expenditure. David also set out the position on the use of EYF from previous years, the potential balance available for EYF funding, and the process for assessing bids for EYF funding.</p> <p>David outlined the process for developing the 2010/11 budget and the important of each budget holder nominating a single point of contact for the budget review exercise.</p> <p>Following discussion, Bob thanked David on behalf of the group for the quality of the analysis and reporting on the year end position.</p> <p style="text-align: center;"><i>David Hanlon left the meeting</i></p>	All budget holders	June 2009
3.	Public Services Reform Bill		
	<p>There was discussion of the Public Services Reform Bill and the implications for the governance of Audit Scotland and the development of streamlined scrutiny for local government.</p> <p>Following discussion, it was agreed that Russell would prepare a short briefing for the Board on the Bill.</p>	Russell	5 June 2009
4.	Data Security		

	<p>Diane introduced an update on measures to improve data security and the recently issued guidance from the Treasury for public bodies on managing information risk.</p> <p>Fiona outlined a recent incident in which paper data had been lost.</p> <p>Following discussion it was agreed that:</p> <ul style="list-style-type: none"> • A position statement would be developed using the checklist for Accountable Officers and Boards in the Managing Information Risk guide • This would be used to frame a wider discussion about information risk prior to the next review of the risk register and in time for a paper to the Audit Scotland Audit Committee at its meeting in September. • The team brief message on information security should be strengthened to remind colleagues of the continuing importance of data security. 	<p>Diane</p> <p>Russell</p> <p>Diane</p>	<p>September 09</p> <p>September 09</p> <p>Immediate</p>
5.	Communications Digest & Team Brief		
	<p>Diane introduced the Communications Digest and Team Brief for June.</p> <p>Management Group noted the report's contents and thanked the Communication Team for their work. It was agreed to amend the team brief to highlight data security, as agreed on the previous item.</p>		
6.	Declarations of interest		
	<p>Russell introduced a paper on declarations of interest which had been discussed at the previous week's MT and had been circulated. Following discussion, it was agreed that</p> <ul style="list-style-type: none"> • Russell should update the list of categories of hospitality • Russell should revise the declaration of interests and it should be completed for Board members and published on the website • We should develop proposals to discuss with management group and the Board for the publication on the website of hospitality and expenses for Board members and MT members • We should develop proposals to discuss with colleagues for the online publication internally of hospitality and expenses for all staff. 	<p>Russell</p> <p>Russell</p> <p>Diane</p> <p>Diane</p>	<p>Immediate</p> <p>Immediate</p> <p>By September</p> <p>By September</p>
6.	AOB		
	There was no further business.		

7.

The next two meetings of the **Management Team** will be held on:

- **Tuesday, 9 June at 09.30hrs** and will be held in the Auditor General's Office
- **Tuesday, 16 June at 09.30hrs** and will be held in the Auditor General's Office

The next **Corporate Management Forum** will be held on:

- **Friday, 26 June at 12.00hrs** and will be held in the **Conference Room at 18 George Street**. A sandwich lunch will be provided.

The next meeting of the **Management Group** will be held on:

- **Tuesday, 30 June at 09.30hrs** and will be held in the **Boardroom at Osborne House**

Apologies

02.06.09 BH (Angela Cullen will substitute)
09.06.09 DMcG
16.06.09 DMcG

Apologies

Please give your apologies to Caroline x1606

AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD 30 JUNE 2009

Present: Bob Black
 Caroline Gardner
 Barbara Hurst
 David Pia
 Lynn Bradley

Apologies: Diane McGiffen
 Fiona Kordiak
 Russell Frith

1.	Note of previous meeting	LEAD	DEADLINE
	The minutes of the meeting of 2 June 2009, which had been circulated, were agreed as an accurate record.		
2.	International Report - Update		
	<p>A report submitted by Lorna Meahan, which had been previously circulated, provided Management Group with an update on international activity and summarises recommendations.</p> <p>Management Group noted the contents and progress which had been made to date and approved the following:</p> <ul style="list-style-type: none"> • Agreed to the International Steering Group's recommendation to decline the offer to work from Tribal HELM in Palestine • Agreed to a member of the staff accompanying the Auditor General to the EURORAI conference. 		
3.	Pay Modernisation Project		
	<p>A report, submitted by David Blattman, provided an update on the Pay Modernisation Project. Management Group noted the contents of the report and agreed the following:</p> <ul style="list-style-type: none"> • Comments from Directors to be submitted to David Blattman. • The importance of the review of office services, secretarial, branch administration, administration and facilities management. <p>A brief discussion of FPSG review noted that David Blattman would produce a revised timeline. Stressed the importance of communication with staff that are affected.</p>	All	Immediate

4.	NHS & Central Government Sector Plans		
	<p>Barbara Hurst and Angela Canning introduced the NHS & Central Government Sector Plans, which had been previously circulated.</p> <p>Bob Black provided some detailed comments on the plans. There was a discussion of the relationship between sector plans, corporate plans and underlying business plans. There are some outstanding issues about monitoring the actions; this will be picked up via monitoring reports and the development of new PIs for Audit Scotland.</p> <p>A template has been developed for monitoring the Local Government Sector Plan; this should inform thinking about the NHS & Central Government Sector Plans.</p> <p>Management Group agreed to revisit this at the September Management Group meeting.</p> <p>There was discussion about how we keep our sector plans relevant in the rapidly changing context of public services. Management Group agreed the need for an away day to consider how we are linking context to corporate plan and sector plans.</p>	CA/DMcG	22.09.09 Sept 09
5.	Correspondence Summary		
	<p>David Pia introduced the Correspondence Summary update, which had been previously circulated.</p> <p>A discussion took place about the recent meeting with SPSO.</p>		
6.	Correspondence Review		
	<p>David Pia introduced a report on the Correspondence Review, which had been previously circulated, outlining what we are aiming to achieve in dealing with correspondence.</p> <p>Following discussion it was agreed that:</p> <ul style="list-style-type: none"> • We do need to respond to correspondence for the reasons set out in the paper. • Fraser McKinlay should draft a spec as planned for an external review • Include Freedom of Information and Complaints for discussion with Diane McGiffen and that the Management Team criteria for evaluating options. • Barbara Hurst should draft a short protocol setting out how we will respond to media enquiries about correspondence. 	FMcK BH	August 09 August 09

7.	Developing Best Value – Update		
	<p>David Pia provided a verbal update on Best Value in Local Government.</p> <ul style="list-style-type: none"> • Aberdeen follow-up to Accounts Commission on 15 July • West Dunbartonshire Council findings to be published on 9 July. • Best Value overview in draft for next Accounts Commission meeting. • Best Value 2 progressing well. Consultation now completed; analysis of responses to Accounts Commission on 15 July with proposals for how to respond. Pathfinders are underway. • Pilot audits underway in Tayside and Northern Police. <p>Barbara provided an update on Best Value in the NHS and Central Government.</p> <ul style="list-style-type: none"> • Second meeting of Central Government reference group this week. Barbara Hurst and Lorna Meahan to attend. • Meeting with Kevin Woods will be a good opportunity to seek a slot at a forthcoming meeting of clients and chief executives. 		
8.	Swine Flu – Update		
	<p>Bob Black introduced Audit Scotland’s Influenza Pandemic Plan.</p> <p>Management Group agreed:</p> <ul style="list-style-type: none"> • Continue to monitor • Encourage line managers to communicate with staff 		
9.	Code of Conduct		
	<p>Mandy Gallacher attended for this item. After discussion it was agreed that:</p> <ul style="list-style-type: none"> • Mandy Gallacher would check with Russell Frith the relationship between the Code of Conduct and the Ethical Standards • Subject to that, the Code should be the subject of consultation with the Union. 	MG	Immediate

10.	AOB		
10.1	<p>Proposal Restricting Transfers into the Local Government Pension Scheme</p> <p>Caroline Gardner introduced a short briefing note about the proposal to restrict future transfers into the Local Government Pension Scheme.</p> <p>Management Group agreed to propose Option 2, subject to any further information on the likely financial implications of transfers into the scheme.</p>		
11.	<p>The next Management Team meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 21 July at 09.30hrs and will be held in the Audit General's office <p>The next Management Group meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 28 July at 09.30hrs and will be held in the Boardroom at 110GS <p><u>Apologies</u></p> <p>28.07.09 BB, DP</p> <p><i>Please give your apologies to Caroline x1606</i></p>		

AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD 28 JULY 2009

Present: Caroline Gardner
Diane McGiffen
Russell Frith
Barbara Hurst
Fiona Kordiak

Apologies: Bob Black
David Pia
Lynn Bradley

In Attendance: Alex Devlin joined the meeting for **Items 1 & 2**
Angela Cullen joined the meeting for **Items 3, 4 & 5**
Mark Roberts joined the meeting for **Item 5**
Nikki Bridle joined the meeting for **Item 7**

1.	Note of previous meeting	LEAD	DEADLINE
	<p>The minutes of the meeting of 30 June 2009, which had been circulated, were agreed as an accurate record, with one small amendment.</p> <p>The attendance record was incorrect and this was amended to show that Lynn Bradley attended the meeting and Fiona Kordiak was absent.</p>		
2.	Business Continuity Update		
	<p>Alex Devlin tabled a report highlighting the latest information from the Chief Medical Officer on swine flu, and summarising the actions agreed from the recent desk-top testing of our business continuity plans.</p> <p>There was discussion of the arrangements required to provide daily information on absence rates, and it was agreed that Alex would discuss local arrangements with Directors to assess their fitness for purpose in the event of significant disruption. Diane and Alex will develop a corporate reporting system that builds simply from local arrangements.</p>	Diane/ Alex	Immediate
3.	International Strategy		
	<p>Angela Cullen and Alex Devlin introduced a report on the International Strategy, which had been previously circulated. Following discussion, it was agreed that a further report would be prepared for Management Group on the basis that the preference expressed by those at the meeting was for continuing our work with other audit agencies at about the same level as experienced in previous years.</p> <p>Alex Devlin left the meeting</p>	Angela	August

4.	Performance Audit Standards - Update		
	<p>Angela Cullen introduced the update report on the Performance Audit Standards, which had been previously circulated.</p> <p>Management Group welcomed the publication of the standards.</p> <p>There was discussion about the further development of our strategy on quality review, and it was agreed that Russell would prepare a paper for the September meeting with proposals.</p>	Russell	September 09
5.	Auditing (Environmental) Sustainability		
	<p>Barbara Hurst, Angela Cullen and Mark Roberts introduced the Audit (Environmental) Sustainability report, which had been previously circulated.</p> <p>It was agreed that a clear organisation-wide strategy was required to address the issues highlighted in the report on:</p> <ul style="list-style-type: none"> • Assessing the implications of the Carbon Reduction Commitment and the new minimum reporting requirements for sustainability • Reviewing our role in relation to the carbon assessment tool • Reviewing the studies programme and the priorities and risk framework and considering our scrutiny role in the light of the Climate Change (Scotland) Act • Reviewing the Code of Audit Practice • Organising our corporate activity on sustainability and reducing our carbon footprint. <p>Following discussion, it was agreed that an updated report should be prepared for the next meeting, following further discussion between Diane, Barbara and Mark about the framework for taking this work forward and better resourcing it internally.</p> <p style="text-align: center;"><i>Angela Cullen and Mark Roberts left the meeting</i></p>	Diane/ Barbara/ Mark	August 09
6.	Outline Timetable for Procurement, Fees & Code of Audit Practice		
	<p>Russell introduced the Outline Timetable for Procurement, Fees & Code of Audit Practice report, which had been previously circulated.</p> <p>There was discussion of the need to update the draft timetable to include the appropriate Audit Scotland Board/ Auditor General/ Accounts Commission approval processes and it was agreed that Russell would develop a revised document, and prepare a paper for the Board in the autumn.</p>	RF	October 2009

	<p>There was also discussion about the assessment of the quality of audit work, and it was noted that Russell will be bringing a further paper on quality to the September meeting of the group.</p> <p>There was also discussion about how the streamlining scrutiny agenda would be incorporated into the revisions to the code of audit practice and the procurement arrangements as necessary, and it was agreed that Russell would consider this further.</p>	<p>RF</p> <p>RF</p>	<p>September 2009</p> <p>ongoing</p>
7.	Streamlining Scrutiny		
	<p>Caroline Gardner and Nikki Bridle introduced the Streamlining Scrutiny report, which had been previously circulated.</p> <p>Following discussion, Management Group noted the progress made so far and the arrangements for testing the shared risk assessment process at the development sites and BV2 pathfinders. Management Group noted the key development questions outlined in the papers and welcomed the update on progress. It was agreed that further updates would be prepared as the project progressed.</p> <p><i>Nikki Bridle left the meeting</i></p>		
8.	Information Loss Inquiry		
	<p>Fiona Kordiak introduced the Information Loss Inquiry report, which had been previously circulated. The incident had highlighted improvements that could be made to Audit Scotland's processes. Management Group noted the risks identified and lessons learned from the incident and the actions that had been taken.</p> <p>There was also discussion about the role of information asset owners and it was agreed that Mandy Gallagher would be asked to provide a further briefing and have discussions with directors about the role.</p>	<p>Mandy Gallacher</p>	<p>immediate</p>
9.	<p>The next Management Team meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 4 August at 09.30hrs and will be held in the Audit General's office <p>The next Management Group meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 25 August at 09.30hrs and will be held in the Boardroom at 110GS <p>The next Corporate Management Forum will be held on:</p> <ul style="list-style-type: none"> • Friday, 28 August at 12.00hrs and will be held in the Conference Room at 18GS 		

	<i>Please give your apologies to Caroline x1606</i>		
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AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD 25 AUGUST 2009

Present: Bob Black
 Diane McGiffen
 David Pia Russell Frith
 Lynn Bradley Barbara Hurst
 Fiona Kordiak

Apologies: Caroline Gardner

In Attendance: Mandy Gallacher joined the meeting for *Items 2*
 Mark Roberts joined the meeting for *Item 3 & 4*
 David Hanlon joined the meeting for *Item 5*

1.	Note of previous meeting	LEAD	DEADLINE
	The minutes of the meeting of 28 July 2009, which had been circulated, were agreed as an accurate record.		
2.	Data Handling Update		
	<p>Mandy Gallacher joined the meeting and introduced the Data Handling update report, which had been previously circulated. Following discussion, it was noted that Information Asset Owners are not yet comfortable with their new roles, that Mandy would reflect this in the report to the Audit Committee, and that Mandy would liaise closely with Information Asset Owners to progress actions and address support needs.</p> <p style="text-align: center;"><i>Mandy Gallacher left the meeting</i></p>	MG	ongoing
3.	Auditing (Environmental) Sustainability		
	<p>Barbara Hurst and Mark Roberts presented an updated report on the Audit (Environmental) Sustainability, which had been previously circulated.</p> <p>A further report was tabled which gave suggestions on some immediate actions which should be taken.</p> <p>Following discussion, it was agreed</p> <ul style="list-style-type: none"> • That a national study on an aspect of climate change should be considered as part of the next forward studies programme; • To continue discussions with the Sustainable Development Commission about working together to scrutinise the Scottish Government's performance on climate change; • To note that the FRAB's proposals for sustainability reporting may become part of the 	DM/BH/M R	November 09

	<p>annual report and may become subject to audit;</p> <ul style="list-style-type: none"> to hold a staff seminar focused on the climate change agenda and its implications for Audit Scotland; and to review the Environment Group's remit and membership and to focus its work more explicitly as a scrutineer of the organisation's performance. <p>It was also agreed that Diane, Barbara and Mark would take this work forward and report back to the Management Group by the end of the year.</p>		
4.	Audit Scotland's Carbon Footprint		
	<p>Mark Roberts presented the Carbon Footprint report, which had been previously circulated.</p> <p>Following discussion, Management Group agreed:</p> <ul style="list-style-type: none"> to support the measurement and reporting of our carbon footprint to approve the interim targets set out in the document to approve setting more stretching targets over time to review specifically the options and impact of changing the nature of the car fleet and the car scheme to reduce the impact on the environment. <p><i>Mark Roberts left the meeting</i></p>	DM	TBC
5.	Property Update		
	<p>David Hanlon joined the meeting and introduced the Property update report, which had been previously circulated.</p> <p>Management Group discussed the report, the process model to consolidate the three Edinburgh offices into two properties, the draft timeline and the space planning criteria.</p> <p>Management Group approved the approach outlined in the report.</p> <p><i>David Hanlon left the meeting</i></p>		
6.	Revised Risk Register		
	Russell introduced the Revised Risk Register, which had been previously circulated. Management Group reviewed and updated the risk register.		
7.	AOB		
	<p>Budget reviews</p> <p>Bob reflected on the recent budget discussions and the</p>		

	<p>need for some more detailed discussion in the autumn of the longer-term issues for Audit Scotland's budgets and public finances.</p>		
<p>8.</p>	<p>The next Corporate Management Forum will be held on:</p> <ul style="list-style-type: none"> • Friday, 28 August at 12.00hrs and will be held in the Conference Room at 18GS <p>The next Management Team meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 1 September at 09.30hrs and will be held in the Auditor General's office. <p>The next Management Group meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 22 September at 09.00hrs and will be held in the Boardroom at Osborne House. <p><u>Apologies</u> 01.09.09 CG 08.09.09 CG 15.09.09 CG 29.09.09 CG</p> <p><i>Please give your apologies to Caroline x1606</i></p>		

AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD 22 SEPTEMBER 2009

Present: Bob Black
 Caroline Gardner
 Diane McGiffen
 Russell Frith
 Barbara Hurst
 David Pia
 Fiona Kordiak
 Lynn Bradley

Apologies: None

1.	Note of previous meeting	LEAD	DEADLINE
	<p>The minutes of the meeting of 25 August 2009, which had been circulated, were agreed as an accurate record.</p> <p>It was agreed to make clear on item 3 - Auditing (Environmental) Sustainability – that the review of environmental approaches should also explore the potential leadership role of Audit Scotland.</p>	DM	
2.	Budget Planning		
	<p>Diane provided an update on the budget planning process and the finalisation of the 2010-11 budget for approval by the Board and presentation to the Scottish Commission for Public Audit.</p>		
3.	Fee Model		
	<p>Lynn Bradley introduced a discussion paper on a New Fee Model, which had been previously circulated. There was a wide-ranging discussion on the report, including on the importance of predictability and proportionality in fee setting. There was also discussion of the costs and recovery of best value fees and the funding of scrutiny co-ordination work.</p> <p>Following discussion, it was agreed that:</p> <ul style="list-style-type: none"> • there should be discussion at the Board about the approach to recovering the cost of scrutiny co-ordination work • The preparations for the next procurement round should include a more detailed paper on alternative options for funding audit and more analysis of the impact of changing the current apportionments • Russell should prepare more detailed briefings for auditors on the explanation of the recovery of central charges to help with communication to clients. 	<p>BB</p> <p>RF</p> <p>RF</p>	<p>Sept 09</p> <p>Dec 09</p> <p>October 09</p>
4.	Local Government Intelligence Report		

	David Pia and Lynn Bradley introduced the Local Government Intelligence Report, which had been previously circulated. There was discussion of a number of items raised in the report, including funding redundancies, equal pay and the VAT recovery achieved by local authorities.		
5.	Audit Quality		
	Russell Frith gave an update on the review of Audit Quality and agreed to prepare a paper for further discussion later in the year.	RF	Dec 09
6.	Code of Conduct		
	Russell informed the group of proposed updates to the Code of Conduct and reporting of expenses. It was agreed that these would be communicated to all staff following discussion and approval by the Board.	DM	Oct 09
7.	Information & Consultation Arrangements with PCS		
	Diane updated the group on recent discussions with PCS about strengthening the partnership agreement through more regular business group management and union meetings to support and supplement the strategic partnership meetings. The Group enthusiastically welcomed the proposals and it was agreed that HR would provide support to the new meetings, at least in the early stages.	DM	ongoing
8.	Swine Flu – Update		
	Diane updated the group on the current Swine Flu position in Scotland. It was agreed that no further action was required for now.		
9.	AOB		
	Bob Black updated the group on the recent appointments process for the vacancy on the Audit Scotland Board. Lynn Bradley highlighted the recently published Audit Firm Governance Code which she agreed to circulate to the group.		
10.	<p>The next Management Group meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 20 October at 09.30hrs and will be held in the Boardroom at 110GS. <p>The next Management Team meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 29 September at 09.30hrs and will be held in the Auditor General's office. <p><u>Apologies</u> 29.09.09 CG</p> <p><i>Please give your apologies to Caroline x1606</i></p>		

AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD 17 NOVEMBER 2009

Present: Bob Black
Diane McGiffen
Russell Frith
Barbara Hurst
David Pia
Fiona Kordiak
Lynn Bradley

Apologies: Caroline Gardner

In Attendance: None

1.	Note of previous meeting	LEAD	DEADLINE
	<p>The minutes of the meeting of 22 September 2009, which had been circulated, were agreed as an accurate record.</p> <p>It was noted that, on item 3 Fee Model, Lynn would defer any further work on fee modelling until the actions identified in the minute had been completed.</p>		
1.1	Matters Arising		
	<p>Diane delivered a presentation on the SCPA's report on Audit Scotland's budget 2010-11, which had been published that morning. The Group noted and welcomed the SCPA's recommendation to the Finance Committee of the Scottish Parliament that Audit Scotland's budget request and request for End Year Flexibility be approved. The Group also noted the areas on which the Commission sought further discussion and engagement with Audit Scotland.</p>		
2.	Procurement		
	<p>Russell Frith submitted his report on Procurement, which had been previously circulated.</p> <p>This report sets out the high level principles that apply currently to the appointment of private firms for a proportion of that work and identifies potential alternatives to the current policies and strategy. The Group continued the discussion from the previous Corporate Management Forum on the potential merits or disbenefits of extending the current audit appointments. Following discussion, it was agreed that:</p> <ul style="list-style-type: none">• If appointments were to be extended, the case for a one year extension was considered stronger than that for two years• That this discussion should be taken to the January Audit Scotland Board, preceded by further discussion at the December Management		

	<p>Group meeting</p> <ul style="list-style-type: none"> • It would be preferable for the Auditor General and Commission to continue with a common procurement strategy and single procurement exercise • Any extension of audit appointments has to be in the context of cost freezes or reductions and to provide more time to reduce the overall cost of public audit in Scotland • A clear timeline needs to be developed for the December Management Group meeting mapping out all the milestones that would have to be reached on the scope of audit prior to the next procurement round. 	RF	Dec and Jan2010
3.	Funding		
	Russell Frith submitted his report on Funding, which had been previously circulated. It was agreed that, this discussion should be taken further once the timing of the next procurement round had been settled. The Group noted the welcome invitation by the SCPA to discuss longer-term budget issues.		
4.	Local Government Intelligence Report		
	<p>David Pia and Lynn Bradley introduced the Local Government Intelligence Report, which had been previously circulated.</p> <p>Management Group discussed the report and thanked the team for its work.</p>		
5.	Correspondence Report		
	Barbara Hurst and David Pia submitted the Correspondence Report, which had been previously circulated. Management Group noted the report.		
6.	Performance Management Follow-up		
	<p>The group discussed the Performance Management Festival which took place the previous week and focused on revising the performance reporting against the corporate plan. Diane tabled the reporting template developed during the festival and it was agreed that, with the strong input from business groups, a completed set of reports for the quarter two results would be prepared and discussed at the next Management Group meeting, along with leads for each area of the map.</p> <p>There was discussion of ways to improve such an event in future, and of the difficulties of scheduling events to secure maximum attendance.</p> <p>The group welcomed the progress made and the better</p>	Diane	Dec 09

	focus provided by using key performance questions as the focus for performance reporting.		
7.	Swine Flu Update		
	<p>Diane gave a verbal update on the Swine Flu on the activity in Scotland.</p> <ul style="list-style-type: none"> • The daily average GP consultation rate for Scotland was 114.2 per 100,000; this represents an 8% increase from the previous week • A further 150 people, confirmed as having Influenza A H1N1v infection, required hospital admission during week 45. • During the past week, higher than normal pupil absence rates due to ILI have been reported in around two dozen schools across Scotland. 		
8.	AOB		
	<p>Russell reported on a current complaint being handled by his team.</p> <p>Bob discussed the launch and Scottish Parliament Audit Committee session on the Scotland's Public Finances report.</p>		
9.	<p>The next Management Team meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 24 November at 09.30hrs and will be held in the Auditor General's office <p>The next Management Group meeting will be held on:</p> <ul style="list-style-type: none"> • Tuesday, 8 December at 09.30hrs and will be held in the Boardroom at 110GS <p><u>Apologies</u> 17.11.09 CG 24.11.09 CG</p> <p><i>Please give your apologies to Caroline x1606</i></p>		

AUDIT SCOTLAND MANAGEMENT GROUP

MINUTE OF MEETING HELD ON 8 DECEMBER 2009

Present: Bob Black
 Caroline Gardner
 Diane McGiffen
 Russell Frith
 Lynn Bradley
 Fiona Kordiak
 David Pia
 Barbara Hurst

In Attendance: Robert Cumming from IPSOS MORI attended for *item 2*
 James Gillies attended for *items 2, 3 and 4*.
 David Hanlon attended for *items 5, 6 and 7*
 Claire Sweeney, Dave Beveridge and Alex Devlin attended for *item 7*.

1.	Note of previous meeting	LEAD	DEADLINE
	The minutes of the previous meeting of 17 November 2009, which had been circulated, were agreed as an accurate record.		
2.	IPSOS Mori survey of MSPs		
	<p>Robert Cumming and James Gillies joined the meeting. James outlined the background to taking part in the survey of MSPs and Robert delivered a presentation on the results of the 2009 survey.</p> <p>Management Group discussed the results and thanked Robert and James for their work.</p> <p style="text-align: center;"><i>Robert Cumming left the meeting</i></p>		
3.	Reviewing Audit Scotland's Communications Strategy		
	<p>James introduced his discussion paper, which had been circulated.</p> <p>Following discussion about the particular areas to consider during the review, in particular, the focus on the public, the use of new media and the impact of the recession, it was agreed that James should proceed with the review and circulate a project plan and timetable in the new year.</p>	JG	Jan/Feb 2010
4.	Follow up to Scotland's Public Finances Report		
	<p>Bob introduced a discussion on the immediate reaction to and plans for further work on Scotland's Public Finances. The Group discussed a range of ways in which the messages in the report could be further promoted to clients and stakeholders, and it was agreed that:</p> <ul style="list-style-type: none"> • Barbara would review the programme of performance audits to identify how the programme of work could better support public bodies in the current economic climate 	BH	Feb 2010

	<ul style="list-style-type: none"> The focus on the use of resources in best value reporting would be highlighted further The programme of internal seminars for colleagues would continue Bob would explore with the Accounts Commission in January its view of the scope for further work following the report There would be a further discussion in the new year to identify further scope for better alignment across Audit Scotland's activities. <p style="text-align: center;">James Gillies left the meeting</p>	DP BB BB All	Immediate Ongoing Jan 2010 Jan 2010
5.	2009/10 Financial Forecast and efficiency strategy update		
	<p>David Hanlon joined the meeting and introduced his report on the financial forecast for 2009/10, which had been circulated.</p> <p>David explained the underlying assumptions in the report and there was discussion of the current position.</p> <p>Following discussion:</p> <ul style="list-style-type: none"> The group noted the financial forecast for the 12 months to March 2010 Approved an allocation of £87, 000 to the Audit Services Group from the management contingency Agreed to consider further scope for using the remaining management contingency balance. 	All	Immediate
6.	Property Report – Edinburgh Office Moves		
	<p>David Hanlon introduced his report on Edinburgh Office Moves, which had been previously circulated.</p> <p>Following discussion, the Group agreed to approve the space planning criteria for submission to an external space planner, subject to the revision downwards of the requirement for Audit Strategy from 13 workstations to 10.</p>		
7.	Performance Management Festival – follow up		
	<p>Claire Sweeney, Dave Beveridge and Alex Devlin joined the meeting. Diane tabled copies of new performance reports which had been further developed since the previous Management Group Meeting. The Group considered the key messages from each report and agreed that the new style of reports seemed promising. It was agreed to continue to develop the reports for the third quarter results.</p> <p>The Group were invited to give more detailed feedback on the content of the reports to Diane, 7 January 2010.</p> <p style="text-align: center;">Claire, Dave and Alex left the meeting</p>	All	7 Jan 2010

8.	Audit Scotland and Audit Strategy Quality Frameworks		
	It was agreed to defer this item to a meeting on 12 January 2010 to allow proper time for discussion. It was agreed that anyone giving feedback to Russell on the papers should copy in the whole group to enable better understanding in advance of the meeting of the various perspectives on the topic.	All	Jan 2010
9.	Environment Strategy		
	Diane introduced her paper updating colleagues on the development of Audit Scotland's environment strategy, which had been previously circulated. The Group noted the contents of the report.		
10.	Product Reading of 2008/08 Annual Audit Reports		
	It was agreed to defer this item to the meeting on 12 January 2010.		
11.	Swine Flu		
	Diane updated the group on the latest information on the spread of Swine Flu in Scotland. The Group noted the position and it was agreed that no further action needed to be taken at present.		
12.	Date of the Next Meeting		
	The next Management Group meeting will be on : <ul style="list-style-type: none"> • Tuesday, 12 January 2010 at 09.30 hrs Apologies None Please send apologies to Caroline Cockburn x1606		