



## **Minutes of Management Team meetings**

**2005**

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 26 JANUARY 2005

Present: Bob Black, Russell Frith, Caroline Gardner, Hugh Hall, Diane McGiffen

Apologies: None

	<u>Action</u>
1. <b>Note of Previous Meeting</b> The note of the previous meeting on 15 December 2004 was agreed as were the action points arising from the informal meeting held on 19 January 2005.	
2. <b>Recruitment and Selection Strategy</b> Following discussion, the recruitment and selection strategy set out in the paper which had been circulated was agreed.	DM
3. <b>Management Development Programme</b> This was deferred to a future meeting.	DM
4. <b>Data Protection Policy</b> The policy and procedures set out in the report which had been circulated were agreed.	DM
5. <b>Procurement Strategy</b> Following discussion on Russell's paper, it was agreed that Robert McFarlane would produce a report summarising the key points of the discussion and the action points. (Note circulated by Robert McFarlane on 27 January 2005.)	R McF
6. <b>Corporate Plan</b> The draft corporate plan which had been circulated was discussed. The second draft will be produced for comment by 8 February 2005.	DM
7. <b>Temporary Post</b> MT confirmed the appointment of a temporary assistant director for the central government PA team for up to two years within existing resources.	
8. <b>Financial and Performance Reporting</b> The discussion on the financial and performance reporting will continue at the next meeting. In the meantime, Gordon Mowat is to circulate the revised forecast and begin discussions with budget-holders on spend profiles to the year end.	DM
9. <b>Proposed Corporate Management Forum – 15 March 2005</b> It was agreed that the Corporate Management Forum should meet on this date to consider the corporate plan, quality framework and knowledge management.	
10. <b>Future Management Team meeting dates</b> Future dates to be confirmed.	

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 15 FEBRUARY 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

Apologies: None

	<u>Action</u>
<p>1. <b>Note of Previous Meeting</b></p> <p>The note of the meeting of 26 January 2005 was agreed.</p>	
<p>2. <b>Approval of Appointments</b></p> <p>The appointments to and terms and conditions of the following posts were confirmed:</p> <ul style="list-style-type: none"><li>• Nikki Bamforth, Assistant Director Best Value</li><li>• Three fixed-term contract (18 months) Directors in Audit Services: Bill Convery, Mark Taylor and Lorna Meahan</li><li>• Andrea McMahon, fixed-term contract (12 months) Audit Senior —without external advertisement because of the recent lack of success with external advertising.</li></ul>	
<p>3. <b>Approval of 2005/06 Business Plans</b></p> <p>These were approved, pending further refinement and the elimination of duplication from the main document, and to retitle the tracking documents to ensure that its purpose was clear.</p> <p>Gordon Mowat to circulate full copies of all business plans to Hugh.</p>	DM
<p>4. <b>Financial and Performance Reporting</b></p> <p>Hugh to forward corrections and revisions to Catherine Park.</p>	HH
<p>5. <b>December Forecast</b></p> <p>Gordon Mowat's paper was discussed and MT agreed to continue discussion on some of the potential items for action.</p>	All
<p>6. <b>2005/06 Audit Fees</b></p> <p>The letter from Cipfa Scotland was discussed and Russell set out the response that he had made to this and other comments on the fees.</p>	
<p>7. <b>Board Agenda</b></p> <p>The board agenda for 17 March was discussed. It was agreed to prepare a report from Bob as the Accountable Office. Diane to draft and others to contribute.</p>	DM
<p>8. <b>Freedom of Information – Update</b></p> <p>Diane updated the group on the FOI requests considered so far by Audit Scotland's panel and also the recent meeting of the Public Audit Forum's FOI group.</p>	
<p>9. <b>Publications Schedule</b></p> <p>James Gillies joined the meeting to discuss the publications schedule and the impact on it of any general election in the spring.</p>	

10      **Service Quality Survey**  
The report prepared by Dave Beveridge was discussed.

11      **MT Away Day**  
The away day on 28 February was discussed. Items so far include Quality at Audit Scotland and the Communications Strategy. Diane to liaise with members individually on further agenda items.

DM

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 8 MARCH 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

Apologies: None

	<u>Action</u>
<p>1. <b>Notes of Previous Meeting</b></p> <p>The notes of the previous meeting were agreed.</p>	
<p>2. <b>Draft Corporate Plan</b></p> <p>The draft corporate plan which had been circulated was approved for presentation to the Board on 17 March.</p>	
<p>3. <b>Draft Budget 2005-06</b></p> <p>The draft budget for 2005-06 was approved for presentation to the Board on 17 March.</p>	
<p>4. <b>Draft Board Agenda</b></p> <p>The draft agenda for the Audit Scotland Board on 17 March was discussed and agreed.</p>	
<p>5. <b>Audit Scotland's Fifth Anniversary</b></p> <p>The Parliamentary reception was discussed. Staff not attending the reception will be invited to a tour of the Parliament and lunch with Bob Black and other MT members over the course of the year.</p>	
<p>6. <b>Financial Position to end of January</b></p> <p>The report which had been circulated was discussed.</p>	
<p>7. <b>Media Event Briefing</b></p> <p>Kay Pringle joined the meeting for a discussion on the forthcoming media event.</p>	
<p>8. <b>Quality</b></p> <p>Bob discussed setting up a short-term working group which would progress the issue of quality through procurement and would involve representatives of Audit Services groups and firms.</p>	
<p>9. <b>Organisational Development – Fixed Term Appointment</b></p> <p>A report had been circulated by D McGiffen on the organisational development challenges for 2005-06. MT agreed the recommendations in the report:</p> <ul style="list-style-type: none"><li>- To create a fixed-term post to support the change process;</li><li>- To offer the post to the unsuccessful appointable candidate from the recent Best Value Assistant Director interviews as this candidate had performed outstandingly at interview.</li></ul>	

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 22 MARCH 2005

Present: Bob Black, Russell Frith, Hugh Hall, Diane McGiffen (Minutes)

Apologies: Caroline Gardner

	<u>Action</u>
<p>1. <b>Notes of Previous Meeting</b></p> <p>The notes of the previous meeting on 8 March 2005 were accepted as an accurate record.</p>	
<p>2. <b>Out of Hours Working – ISG contract</b></p> <p>A proposal had been made to amend the contracts of ISG staff. This was in recognition of the unique requirement of their jobs for out-of-hours working necessary for planned maintenance and to address service failure. The proposal was approved.</p>	
<p>3. <b>Leadership Programme</b></p> <p>Details of the next phase of the leadership programme were circulated. Hugh to consult with his staff on dates and Diane to consult with Performance Audit staff in Caroline's absence.</p>	HH/DM
<p>4. <b>2006/07 Budget</b></p> <p>Russell had circulated a paper to provide headline figures for the 2006/07 budget requirements, which need to be reported to the SCPA this month. The figures were approved.</p>	
<p>5. <b>Procurement</b></p> <p>Bob and Russell will lead a discussion on procurement at the Accounts Commission's FAA committee on 23 March. Russell to circulate the slides.</p>	RF
<p>6. <b>Finance Committee Away Day</b></p> <p>Bob provided an update on issues raised at the finance committee away day.</p>	
<p>7. <b>Freedom of Information</b></p> <p>Diane updated the MT on the range of recent FOI requests.</p>	
<p>8. <b>Staff Survey results</b></p> <p>It was agreed to reschedule the presentation on the staff survey from 29 March to 12 April.</p>	
<p>9. <b>Early Retirement</b></p> <p>The final costs of Robert McFarlane's early retirement had been circulated and were approved.</p>	

**AUDIT SCOTLAND MANAGEMENT TEAM**

**MINUTE OF MEETING HELD ON 5 APRIL 2005**

Present: Bob Black, Hugh Hall, Caroline Gardner, Diane McGiffen

Apologies: Russell Frith

1. **Procurement Strategy**

Following the recent exchange of emails on procurement, Caroline suggested that Russell Frith convene a workshop including David Pia, Barbara Hurst, Gavin Stevenson and Lynn Bradley to further discuss procurement options.

2. **Assistant Director Remuneration**

The report circulated by Caroline was discussed. It was agreed to appoint Bob Leishman to the post of temporary Assistant Director in the Performance Audit group

Action

RF

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 12 APRIL 2005

Present: Bob Black, Hugh Hall, Caroline Gardner, Diane McGiffen

Apologies: Russell Frith

#### Action

#### 1. **Business Continuity Planning**

The report circulated by the Corporate Resource Group Manager was approved, including identifying the following lead people for various business continuity functions:

##### a) Core functions —

Strategy and annual audit —Hugh Hall  
Supporting Parliament —Bob Black  
Comptroller of the Scottish Executive —Gordon Mowat  
Performance Audit studies —Caroline Gardner  
Supporting the Accounts Commission —Bill Magee

##### b) Support functions —

Information services —Bryan Lambe  
Office services —Mary Muir  
Human resources —David Blattman  
Management team —Diane McGiffen  
Procurement —Dave Beveridge  
Communications —James Gillies  
Audit Scotland Board —Diane McGiffen  
Finance —Steve Murray  
Technical services —Paul O'Brien

The programme of interviews and the process and timeline for the business continuity plan were agreed.

#### 2. **Audit Scotland's Staff Attitude Survey**

Members of the Corporate Management Forum joined the management team meeting for a presentation by David Adams Associates on the results of the 2005 staff attitude survey. It was agreed:

- To provide information by group to the various business units in Audit Scotland
- That David Adams would be available for discussions with individual groups about that level of analysis of the survey results
- To prepare a communication to staff on the results of the survey following the same format as the last survey so it would be easy to compare
- To arrange a series of lunchtime briefings for staff on the staff survey; and
- To report the findings to the Audit Scotland Board.



## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 19 APRIL 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Diane McGiffen

Apologies: R Frith

#### Action

#### 1. **Notes of Previous Meeting**

The notes of the previous meeting on 22 March, 5 and 12 April were agreed as an accurate record.

#### 2. **Appointment of Project Manager – Temporary Contract**

The memo from David Pia which had been circulated was discussed. It was agreed to appoint Grace Jordan to the post of Project Manager on a temporary contract for two years. Grace had been interviewed in the previous round of project manager appointments.

#### 3. **Regrading of Administration Assistant Post**

The memo from David Pia, which had been circulated, was discussed. It was decided that, because of the forthcoming reviews of administrative support in both Audit Services and Corporate Services, any decision on regrading should await the outcome of those processes. The projected timescale for completing the Corporate Services review is the end of June. Any decision on regrading the Administration Assistant post in Local Government, would be made effective from this date.

#### 4. **Client Relations**

There was a discussion on the draft Audit Services client relations strategy and accompanying email from Hugh and Caroline. It was agreed that the key principles of the corporate client relationship strategy should be:

- Primary responsibility for relationship management would lie with the directors in each sector. Where Audit Services is the auditor, this would be done through close working relationships and liaison between the two directors in each sector; where the auditor is one of the firms, the PA director will lead for Audit Scotland but will keep the firm informed in line with existing protocols. In both cases, directors need to share information on current issues, etc to give consistent messages and also ensure that other relevant people within Audit Scotland are kept informed.
- Occasionally, Bob, Hugh or Caroline will have contact with clients—they will let the appropriate directors know and will need a briefing on current issues.
- Bob would like to develop a stakeholder strategy for engaging with stakeholders as part of the client relations strategy.
- The strategy should also identify areas for more proactive client relationship management.
- The strategy should assist the development of more purposeful engagements with clients.

It was agreed that the corporate client relationship strategy should be developed by Fraser McKinlay, building on the Audit Services paper and that this would benefit from an assessment on how successful firms tackle this area of work. Diane to come back to the management team with a timescale for the report once Fraser's induction period is over.

DM

5.	<b>Developing Audit Scotland's role in international activities</b>	AR
	<p>Caroline introduced a paper from Arwel Roberts, which had been circulated. It was agreed that the paper set out the benefits, opportunities and risks of developing Audit Scotland's role in international activities but the additional benefit identified was building on the parliamentary interest in Scotland's role in Europe.</p> <p>It was agreed that Arwel should take forward this area of work, including the preparation of the business plan to cover the development of international work and that the business plan should identify who needs to do what and how, in addition to identifying on which activities cost-recovering would be possible.</p>	
6.	<b>John Elvidge meeting</b>	
	<p>Bob provided a briefing to the team following his recent meeting with John Elvidge and subsequent note of areas discussed.</p>	
7.	<b>John Sherring's role and contract</b>	DM
	<p>MT discussed the future requirements for John Sherring's involvement following the agreed redefinition of his role and reduced requirement for his input. Diane to liaise with John on this. It was agreed that Diane should arrange a date for a dinner with the team and John to thank him for his valuable input to Audit Scotland.</p>	
8.	<b>Race Equality Monitoring Report</b>	DM
	<p>Diane introduced the report which had been circulated and informed the group that HR would be reviewing the applications of short-listed candidates from non-white backgrounds, given the data showing that none had been appointed.</p> <p>Diane to report back to MT following that review. Caroline requested a greater breakdown on the gender profile at Audit Scotland by grade.</p> <p>The report was noted.</p>	
9.	<b>Information, consultation and negotiation arrangements with employees/representatives</b>	DM/DB
	<p>The report by David Blattman which had been circulated was agreed. David to devise a briefing to Corporate Management Forum members on the new legislation and its impact. MT recognised and valued the constructive working relationship with PCS and hope that the new agreement will enable this to continue.</p>	
10.	<b>AOB</b>	DM
	<p>Procurement workshop—MT preference was for the afternoon of 6 May. Diane to liaise with Russell to get the date finalised.</p>	
11.	<b>Future agenda items</b>	DM
	<p>It was agreed that in addition to the items set out in the forward plan, the Audit Committee programme would be discussed (Bob). Teammate (Hugh) and Audit Services administrative restructuring (Hugh) would also be discussed.</p>	

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 26 APRIL 2005

Present: Bob Black, Hugh Hall, Russell Frith, Diane McGiffen

Apologies: Caroline Gardner

#### 1. **Notes of Previous Meeting**

The notes of the meeting of 19 April 2005 were agreed.

#### 2. **Teammate**

Following discussion of Hugh's paper on Teammate, it was agreed to postpone the full rollout of Teammate until we undertake a full-scale re-evaluation of our needs for an automated audit management tool.

A short-life working group will be established chaired by Lorna Meahan and supported by the Information Services Group.

#### 3. **EYF Process and Proposals**

Following discussion, it was agreed that each of the business units should now put forward proposals for EYF expenditure to Russell by 10 May. MT will then prioritise competing demands by the end of May. We already have a long-list of commitments including refurbishment and decanting of 18 GS.

#### 4. **Audit Committee Forward Programme**

James Gillies joined the meeting for this and the next item.

Bob Black led a discussion on the forward programme of the Audit Committee to the end of the parliamentary session.

#### 5. **Publications Schedule**

James Gillies introduced the publications schedule and highlighted the pressure there would be in June on publication dates.

MT also discussed the timetable for producing the annual report in time for presentation on the final Audit Committee session on 28 June.

#### 6. **Workforce Planning – Age Profile of Audit Scotland staff**

MT had a discussion on the age profile of Audit Scotland staff following an analysis of the age profile. Each group will progress any further issues around long-term planning with their HR consultant.

#### 7. **ASG Support Arrangements**

Hugh's paper on revised support arrangements for Audit Services Group was noted for information.

#### 8. **Visit by the Auditor General's office of Western Australia**

Diane's paper set out the plans for the forthcoming visit. Fraser McKinlay is co-ordinating the event and each group should get back to him by 3 May with ideas for discussion and potential participants.

Hugh indicated he would like to attend the seminar.

#### Action

All

All

9. **Performance and Financial Information for Q4 and Year-End Information**

MT noted the financial position with net expenditure being £0.9M lower than the revised budget but within £0.14M of our December reforecast.

The only figure yet to be incorporated was the actuarial valuation of the pension fund obligation, which could be positive or negative.

Bob wished to record his thanks to the Finance team for preparing the information pack.

MT reviewed the progress on the Dublin objectives and Building Blocks of Change. The KPI report will be taken forward to the agenda for the next meeting due to lack of time discuss it at this meeting.

Diane reported that this would be the last reporting in this format. Future reporting would be against the Corporate Plan now that the Dublin objectives have been fully incorporated into the business plans and Corporate plan.

10. **Internal Audit Reports**

MT reviewed and agreed the management responses on the following internal audit reports:

- Contract Management —Appointed Auditors
- Working Hours Regulations/Flexible Working Hours
- Development & Allocation of Annual Work Programme (PA)
- External Relations and Communications
- Staff Transfers/Relocation Expenses

11. **Procurement Workshop**

There was a discussion about the objectives for the forthcoming procurement workshop. Russell identified the following objectives for the event:

- A common understanding of what we mean by collaborative/cooperative working
- What we expect of auditors
- What we expect from the firms.

Other issues would involve the role of the Priorities and Risks Frameworks, information sharing and knowledge management.

12. **AOB**

Russell provided an update on his recent meeting with the Audit Commission and agreed to circulate to MT members copies of the draft Quality Assurance process the Audit Commission will adopt soon.

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 3 MAY 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

This was an informal meeting but, as decisions were taken, the meeting has been recorded.

	<u>Action</u>
<p>1. <b>Refurbishment of Reception in 110 George Street</b></p> <p>The proposal to refurbish the reception at 110 George Street at the cost in the region of £27,700 (including VAT) was approved.</p>	
<p>2. <b>Kitchen Facilities at 110 George Street</b></p> <p>The proposal to create kitchen facilities and removing two toilets on the first floor at 110 George Street at a cost in the region of £16,500 (including VAT) was approved.</p>	
<p>3. <b>SCPA discussions</b></p> <p>Russell reported on discussions with the SCPA on the level of value for money work that we would conduct in an organisation of our size. Diane to report agreed responses back to SCPA.</p>	D McGiffen
<p>4. <b>Email from Dick Gill</b></p> <p>The recent email from Dick Gill to Diane McGiffen was discussed and a response agreed.</p>	
<p>5. <b>Inverclyde Council</b></p> <p>Caroline updated MT on the forthcoming Accounts Commission meeting to consider the best value report on Inverclyde Council.</p>	
<p>6. <b>Political Awareness</b></p> <p>There was a discussion about the courses offered by the Institute of Governance at Edinburgh University and it was agreed to arrange a lunchtime seminar for invited staff on the Scotland Votes: Assessing the 2005 Election series.</p>	D McGiffen

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 10 MAY 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith,

Apologies: Diane McGiffen

1. **Minutes of the meeting held on 3 May 2005**

The Minutes of the Meeting held on 3 May were agreed.

2. **Restructuring of Audit Services Group**

Hugh's paper proposing a restructuring of Audit Services Group was discussed and it was agreed that:

- 13 staff currently on Grade C be regraded to Grade D
- The requested revisions to the ASG grade mix were approved
- That an internal recruitment exercise for up to 8 posts at Audit manager level should proceed

It was stressed that the internal exercise should set clear standards to be met for candidates to be successful and if there were not enough candidates meeting those standards then an external campaign may follow.

It was noted that a review of audit resource requirements was being undertaken and that it was possible that further proposals could be made.

3. **Responsibility for Best Value audits in local government and BV/VFM responsibilities in other sectors**

Russell's paper on Responsibilities of auditors had been discussed as part of the Directors' Workshop on procurement and was further discussed. It was agreed that:

- Primary responsibility for meeting the Best Value Audit responsibility in local government lies with the central BV team but that this does not prevent auditors from carrying out work related to BV as part of their audit.
- The differences between the audit arrangements in Scotland and England explain the differences in reporting that will emerge from the Audit Commission's approach.
- For other sectors the Code of Audit Practice will require auditors to cover vfm as part of the audit but will not require an explicit annual conclusion as part of the audit certificate.

The procurement documentation and the revised Code of Audit Practice will be drafted to reflect this position.

Action

H Hall

R Frith

4.	<b>Outcome of Procurement Workshop on 6 May</b>	R Frith
	The outcome of the Procurement Workshop was discussed. Russell will draft a paper showing the steps to be completed before the EU advert is placed at the end of September and will also draft a paper to support a decision on the overall amount of work to be awarded to firms.	
5.	<b>Accounts Commission PIs</b>	C Gardner
	There was a brief discussion about the draft PIs circulated by Bill Magee. It was agreed that there needed to be further discussion with Commission members about the principles involved in setting the PIs and concerns about the effect of some PIs, eg no qualifications and the feasibility of some, eg fraud avoidance.	
6.	<b>Meeting with the Audit Commission</b>	C Gardner
	The forthcoming meeting with the Audit Commission was discussed. It was agreed that a note on possible agenda items should be prepared for the next meeting.	
7.	<b>Publications Schedule</b>	
	The Publications Schedule was discussed.	
8.	<b>Knowledge Management</b>	D McGiffen
	Russell updated the Management Team on recent meetings with Knowledge Associates and on the launch of the pilot projects in local government.	
	A short summary of the final strategy would be prepared for a future meeting.	

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 17 MAY 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

	<u>Action</u>
<p><b>1. Minute of previous meeting</b></p> <p>Minutes of the meeting held on 10 May were agreed.</p>	
<p><b>2. Corporate Risk Register</b></p> <p>Russell introduced the paper which he had circulated previously. It was agreed that the risk register would be updated to reflect the different levels of risk around:</p> <ul style="list-style-type: none"><li>• Modernising the audit</li><li>• The procurement strategy</li><li>• The management information being suitable for business purposes.</li></ul> <p>Russell to recirculate the paper prior to its submission to Audit Scotland's audit committee.</p>	
<p><b>3. Best Value in Health</b></p> <p>There was discussion around the recent emails from Bob and Hugh. Barbara Hurst and Lynn Bradley are producing a paper on this issue for the end of the month that will provide the basis for further development. It was also agreed that Barbara and Lynn should attend the forthcoming meeting between Bob and Kevin Woods.</p>	
<p><b>4. Annual accounts</b></p> <p>Russell and Diane provided an update on the preparation of the annual accounts and the closing year position for Audit Scotland. Further work was required before the papers would be submitted to the Board.</p>	
<p><b>5. Solace Imprint/Prizes and Bursaries</b></p> <p>There was discussion of the paper which had been circulated by Caroline. It was agreed that sponsorship through the public audit forum would be appropriate and that the preferred support would be through a bursary because the audit agencies would be able to influence the scope of research.</p>	
<p><b>6. Meeting with Audit Commission</b></p> <p>This item was deferred to a future meeting.</p>	



## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 24 MAY 2005

Present: Bob Black, Caroline Gardner, Russell Frith, Diane McGiffen

Apologies: Hugh Hall

#### Action

**1. Notes of previous meeting**

The notes of the meeting of 17 May still to be circulated for approval.

**2. Management Development Programme**

Diane introduced the proposed management development programme. Following discussion, the proposal was approved.

**3. Learning and Development Strategy**

Diane introduced the papers which had been circulated. Following discussion, the corporate learning and development strategy was approved.

**4. Travel Scheme**

Diane introduced the paper which had been circulated. Following discussion, the proposed appointment of a consultant to review our travel policy was approved.

**5. Communications team structure**

Diane introduced the report which had been circulated. Following discussion, it was agreed to proceed with Phase 1 of the restructuring.

**6. Meeting with Audit Commission**

There was a discussion about the agenda items for the forthcoming Audit Commission meeting. It was agreed to focus on strategic issues. Following discussion, the proposed agenda will be:

- strategic context & responses - audit & inspection, efficient government, improvement/reform agendas
- influencing strategies - where do we want to influence policy makers jointly, and how best should we do it (PAF or otherwise)
- procurement - strategic issues
- measuring impact

**7. Final Accounts**

Diane and Russell provided an update on the progress with final accounts.

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 7 JUNE 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen (part of meeting)

Apologies: None

	<u>Action</u>
<p>1. <b>Minute of Previous Meeting</b></p> <p>The minute of the meeting of 24 May 2005 was agreed as an accurate record.</p>	
<p>2. <b>Resource Transfer for National PA Work</b></p> <p>(Diane McGiffen left the meeting during this item).</p> <p>The paper by Barbara Hurst and David Pia which had been circulated was discussed. The paper set out proposals for implementing the second stage of the transfer of resources from Audit Services to Performance Audit for national performance audit work, as agreed by MT in June 2004.</p> <p>Following discussion, it was agreed that the resource transfer would take place, but the arrangements would be kept under review.</p>	
<p>3. <b>Overall amount of work allocated to firms</b></p> <p>The paper by Russell Frith, which had been circulated, was discussed. The paper invited discussion on a number of areas, including:</p> <ul style="list-style-type: none"><li>– Cross-sector appointments</li><li>– FE sector appointments</li><li>– Scottish Water appointment</li><li>– Central Government appointment</li></ul> <p>It was agreed that Russell would revise the paper to reflect the discussion and bring it back to a future meeting.</p>	RF
<p>4. <b>Contingency Planning for July demonstrations in central Edinburgh</b></p> <p>Discussion was deferred to the following meeting.</p>	
<p>5. <b>Business Continuity Plan</b></p> <p>Discussion was deferred to the following meeting.</p>	
<p>6. <b>Final Audited Accounts</b></p> <p>Russell reported that the final audited accounts would be presented to the Board for approval at its meeting on 16 June and would be presented to the Clerk to the SCPA the following day.</p>	
<p>7. <b>Efficient Government Issues</b></p> <p>Discussion on this item was deferred to the following meeting.</p>	
<p>8. <b>Audit Commission meeting</b></p> <p>The date of the meeting with the Audit Commission MT is 12 September 2005 at their offices in London</p>	

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 21 JUNE 2005

Present: Bob Black, Hugh Hall, Russell Frith.

Apologies: Caroline Gardner, Diane McGiffen

	<u>Action</u>
<p>1. <b>Minute of Previous Meeting</b></p> <p>The minute of the meeting of 7 June 2005 was agreed as an accurate record.</p>	
<p>2. <b>Environmental Management Policy</b></p> <p>The paper by Mandy Gallacher was discussed. The draft policy was agreed but it was suggested that communication of this to all staff should wait until there is a fuller message eg some quick wins to give.</p>	DM
<p>3. <b>Indexation of Auditor Remuneration</b></p> <p>The paper by Russell Frith was discussed. It was agreed that the basis of indexation to be proposed for incorporation into the new audit appointment letters should be changes in the salary and NI cost of the mid point of the Senior Auditor scale.</p> <p>This basis for calculating increases would also be used to set the increase for the final year of the current appointments in November 2005</p>	RF
<p>4. <b>Procurement Strategy Timeline</b></p> <p>This paper was discussed and will be kept up to date as issues progress.</p>	
<p>5. <b>Scottish Parliament Audit Committee visit to Denmark</b></p> <p>The visit in September was discussed and it was agreed that it would be useful experience for someone from Audit Services to accompany the Auditor General and that Hugh should identify a suitable candidate.</p>	HH
<p>6. <b>Supporting Delivery in Audit Scotland</b></p> <p><b>Knowledge Management Strategy</b></p> <p><b>Service Review of Facilities Management</b></p> <p><b>Health &amp; Safety update</b></p> <p>These items were deferred to the next meeting.</p>	DM
<p>7. <b>Internal Audit Reports</b></p> <p>Internal audit reports on:</p> <ul style="list-style-type: none"><li>• Development &amp; Allocation of Annual Work Programmes</li><li>• Selection and Appointment of Consultants and</li><li>• Business Continuity Planning</li></ul> <p>Were noted and would now go to the next meeting of the Audit Committee.</p>	

8. **Invitations to conferences**

Two invitations were discussed. It was agreed that the invitation to Exploring performance Regimes at the NAO on 30 June should be circulated to Performance Directors with the suggestion that it may be useful for someone to attend.

9. **Next Meeting**

The date of the next meeting is 28 June at 2.30 pm.

RF

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 28 JUNE 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Diane McGiffen, Russell Frith

	<u>Action</u>
<p>1. <b>Note of meeting of 21 June 2005</b></p> <p>The note of the meeting, which had been circulated, was agreed as an accurate record.</p>	
<p>2. <b>G8 Summit Contingency Planning</b></p> <p>Diane introduced the paper by Mandy Gallacher which set out a series of options and actions that were proposed, or had already been taken, to deal with the potential disruption around the G8 Summit meeting.</p> <p>Following discussion, it was agreed that:</p> <ul style="list-style-type: none"><li>• All Edinburgh offices would be closed on 4 and 6 July, with staff advised to work from alternative locations, including home</li><li>• We would not board up our premises on George Street, but would arrange additional security patrols</li><li>• Securicor would call Diane at 7am to confirm whether there is any damage or risk at any of our premises; Diane will then cascade this information to MT and through them to other directors</li><li>• Directors were being issued with up to date contact lists for their staff</li><li>• A briefing for staff and for Directors would be issued detailing that we were closing the offices to minimise the risk to staff of transport disruption, and providing details of security and safety measures that we and staff should take. The briefings would emphasise that staff safety is paramount.</li><li>• The rest of the actions detailed in the paper would be taken.</li></ul> <p>Diane reported that the proposals had been discussed with the PCS health and safety representative who had provided useful comment on them.</p> <p>Bob asked Diane to pass on thanks to Mandy for a thorough piece of work.</p>	DM
<p>3. <b>Best Value Audit in Health</b></p> <p>There was further discussion on the development of best value in health, following the recent email from Caroline and Hugh to Bob.</p>	DM

	<p>It was agreed that Option 3 of the paper prepared by Barbara and Lynn would be the way forward. Lynne and Barbara to identify how effectively this can be done within existing resources, given the modernised audit and the resource transfer.</p>	
	<p>It was agreed that Hugh and Lynne would begin a dialogue with the Scottish Executive about the development of best value auditing and reporting in health.</p>	HH
4.	<p><b>Supporting delivery in Audit Scotland</b></p> <p>There was discussion of the above report which set out Fraser McKinlay's workplan and objectives to the end of March 2006 in his role supporting change at Audit Scotland.</p> <p>It was agreed that the workplan was welcome and addressed the key issues but concern was expressed that it some of the timescales were challenging. Diane explained that some of the timescales were best estimates, but that completing a lot of the work would be down to MT agreement, the timing of which Fraser could not influence.</p>	
5.	<p><b>Internal Audit reports</b></p> <p>The Chiene and Tait report on time recording was noted. Diane confirmed that the TMG will conduct a post-implementation review of the time recording system</p>	DM
6.	<p><b>Knowledge Management Strategy</b></p> <p>Diane and Russell introduced the paper which had been circulated and deferred from the previous meeting. Diane and Russell set out some of the difficulties there had been progressing both the strategy and the pilot project.</p> <p>It was agreed that the findings from the pilot work were necessary to sit alongside the strategy document and enable us to understand the specifics of what would be done differently.</p>	
7.	<p><b>Service Review of Facilities Management and Office Services</b></p> <p>The paper which had been circulated was agreed. Bob expressed a desire to ensure greater challenge was incorporated into the service review process and model.</p>	DM
8.	<p><b>Health and Safety Update</b></p> <p>Diane reported on the recent meeting of the Health and Safety Committee and requested that Performance Audit and Audit Services each provide a senior management representative for the group which meets quarterly. This was agreed.</p>	CG/HH
9.	<p><b>Date of Next Meeting</b></p> <p>The next formal meeting will be held on 19 July.</p>	

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 19 JULY 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Diane McGiffen

Apologies: Russell Frith

#### 1. **Notes of Previous Meeting**

The notes of the meeting on 28 June were agreed as an accurate record.

Management Team reviewed the contingency arrangements that had been made for the G8 summit and were pleased that the contingency planning had worked effectively for Audit Scotland. Bob Black recorded his thanks for the work that had been done.

#### 2. **Corporate Quality Framework**

The management team discussed the corporate quality framework draft paper which had been circulated previously. It was agreed that work would continue to develop a corporate quality framework for implementation by December 2005 but that the interim milestones may need to slip.

It was agreed that Fraser McKinlay should convene a group with representatives from Audit Services, Performance Audit, Audit Strategy and Corporate Services to take forward the next stage of the work in identifying gaps in existing processes and the corporate framework. It was agreed that this group should also identify the appropriate scope of independent review.

Bob Black requested that the framework include a section on the ownership, management and reporting of quality and it was agreed that a high level annual report on quality should be annexed to the end-of-year performance report.

Bob also requested that the framework specify in more detail how the impact of work would be assessed.

#### 3. **Communications Audit**

James Gillies joined the meeting for this item and Item 5.

There was discussion about the communications audit, following the circulation of the proposed survey on 7 July. Concern was expressed at the short timescale for comment and there was also a discussion to clarify the purpose of the communications audit.

Action

FM

James outlined the purpose for which the survey had been developed, following the discussion about the communications strategy review at the MT away day in February 2005.

The audit is intended to identify the views of stakeholders on the published work of Audit Scotland, the reputation of Audit Scotland and the effectiveness of the communications team in supporting the media. It continues some of the themes in the Accounts Commission's audit in 1999, which will allow some benchmarking. We make a distinction between stakeholder and client reporting to support our mission of holding to account and helping to improve, and this audit focuses on views about our nationally published stakeholder reporting. It was agreed that effective ways of collecting feedback on client-focused reports needed to be found but, on this occasion, it was acknowledged that this would not be effectively done through the communications audit. It was agreed to review the ways in which feedback on client facing reports is currently collected and how it can be improved.

James confirmed that the survey had been amended following the comments received from MT members. James agreed to circulate the revised survey. Piloting of the survey was going ahead on 20 July and the survey would be finalised after that.

There was a discussion about how best to obtain views on audit reports to clients and whether the communications audit could do this effectively.

JG/HH/RF

4. **Q1 Performance and Financial Information**

Hugh raised concerns about the accuracy of the staffing data in the Q1 report and about an error in the budget monitoring reports which had been circulated to budget holders. Diane agreed to investigate and report back.

DM

Hugh requested that we move to a full quarterly financial report so that early assessment and action can be taken. This was agreed.

DM

5. **Publications Schedule**

James circulated the revised publications schedule. It was noted that there was a considerable number of reports planned for autumn and winter. James reported that, should all the planned publications proceed, the communications team would be struggling to dtp and process the work.

A number of the reports planned for autumn/winter 2005/06 are central government reports. It was agreed that Arwel should copy the communications team in on work progress reports so that they could plan work effectively.

AR/JG

Diane indicated that the continuing rise in the volume of reports was presenting resourcing problems for the communications team. It was agreed that this should be identified and discussed through the 2006/07 budgeting process.

6. **Internal Audit Reports**

MT noted the internal audit reports on Treasury Management, Data Retention, Storage and Destruction and the Auditing Standards manual.



7. **AOB**

7.1 Board Agenda

The board agenda for the planned meeting on 28 July was discussed. It was agreed to suggest to Bill Magee that business could be dealt with by correspondence. Diane circulated a draft Accountable Officer's report for comment.

7.2 Leading Change through People

It was agreed that Nikki Bamforth would be sponsored for a place on this programme run by the Scottish Leadership Foundation.

7.3 Hansard Society

Caroline agreed to draft a response for Bob to the Hansard Society request for a contribution on their research project on governance.

CG

7.4 Study of Parliament group

Bob Black will accept the invitation to take part in this study.

7.5 Communication of MT discussion

Diane clarified that the MT minutes are available on Libro and are available more widely through our publications scheme. She agreed to improve awareness of the availability of the MT minutes.

DM

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 2 AUGUST 2005

Present: Bob Black, Russell Frith, Hugh Hall,

Apologies: Caroline Gardner, Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of Previous Meeting</b></p> <p>The notes of the meeting on 19 July were agreed as an accurate record.</p>	
<p>2. <b>Audit Strategy Administration Assistant</b></p> <p>Michelle Martins' transfer from Corporate Services to Administration Assistant in Audit Strategy was approved.</p>	DM/RF
<p>3. <b>Budget Timetable</b></p> <p>Russell outlined the timetable prepared by Finance for the preparation of the 2006/07 financial year budget and submission to the SCPA.</p> <p>The submission to the SCPA must be made by the end of September and a draft budget for discussion by the Management Team will be needed by very early September.</p> <p>It was noted that a key item would be the cost/timing of the refurbishment of 18 George Street.</p>	DM/RF
<p>4. <b>Procurement Strategy</b></p> <p>Russell reported that a draft of the final procurement strategy would be circulated in advance of the next formal Management team meeting.</p>	DM
<p>5. <b>Issues for Discussion with Kevin Woods</b></p> <p>The possible issues for discussion were discussed.</p> <p>It was agreed that Lynn Bradley would attend the meeting</p>	RF
<p>6. <b>Internal Audit Reports</b></p> <p>MT noted the internal audit reports on Fixed Asset Register and Software Licensing</p> <p>The report on H&amp;S Policy, Risk Assessment, Training was discussed and noted that this report would be likely to be discussed at the forthcoming Audit Committee.</p>	HH
<p>7. <b>AOB</b></p> <p><u>Meeting with Des McNulty</u></p> <p>Bob asked for information on public performance reporting in the Scottish Executive.</p>	DM
	HH

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 16 AUGUST 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of Previous Meeting</b></p> <p>The minutes of the meeting of 2 August 2005 were agreed as an accurate record.</p>	
<p>2. <b>Working with the Public Sector Ombudsman</b></p> <p>Bob Black introduced a discussion about working relationships with the public sector ombudsman following his recent meeting with Alice Brown and his email to MT members and others.</p> <p>It was agreed that Hugh and Caroline would have a discussion with their teams to improve knowledge-sharing between Audit Scotland and the ombudsman's office, make more structured use of ombudsman reports to inform priorities and risks assessment of auditors and look at opportunities for using the audit process to follow up on whether improvements have resulted in individual bodies where the ombudsman had found significant system failures.</p> <p>Fraser McKinlay will contact the ombudsman's office to facilitate a discussion on the good government agenda overseas.</p>	FM
<p>3. <b>Matters arising from Audit Scotland's Audit Committee</b></p> <p>There was discussion about the recent Audit Scotland Audit Committee. Russell reported on his discussions with Peter Jibson following the meeting and it was agreed that a report updating the MT on health and safety issues would be prepared by David Blattman for the next formal meeting of the group on 12 September.</p>	DB
<p>4. <b>SOLACE Enterprise and Continuous Improvement</b></p> <p>Bob reported on his recent meeting with George Thorley about the work of the SOLACE Executive and, in particular, their work on leadership and professional development in anticipation of the senior official recruitment likely in 2007 following the retirement of various Chief Executives and senior officers.</p> <p>Caroline is following up the discussion and has shared the initial work on the Audit Scotland leadership study with George Thorley. Caroline will find out more about the development opportunities available so that these can be linked to the Audit Scotland leadership programme.</p>	CG
<p>5. <b>Procurement Strategy</b></p> <p>Russell's draft discussion paper for the Accounts Commission Financial Audit and Assurance Committee and the Auditor General, which had been circulated, was discussed. It was agreed that Russell would revise the paper to clarify the application of EU procurement rules, the scope of the procurement exercise and the decision taking process. It was also agreed that the section on partnership working would be expanded.</p>	RF

6.	<b>Diversity and Equality update</b>	DM
	<p>Diane updated MT on the recent diversity and equality training that had been undertaken to introduce the Diversity Excellence Model to Audit Scotland. She reported that the consensus meeting for the assessment would take place in the middle of November and it was agreed that a development event for the Corporate Management Forum on diversity and equality and the use of the Excellence Model would be undertaken before then.</p> <p>Bob spoke about the importance and centrality of diversity to Audit Scotland's work and particularly to our role in holding public bodies to account and helping them to improve. He spoke about the expectations on scrutiny bodies and the growing expectation that audit will assess public bodies' work on diversity.</p>	
7.	<b>Staff Survey actions</b>	All
	<p>Diane reminded the group that, following their review of staff survey results by group, at the next MT meeting, there would discussion about the actions going forward to address issues arising from the survey.</p>	
8.	<b>Technology Management Group update</b>	
	<p>Diane reported on the recent meeting of the TMG and the preliminary discussions around the draft information strategy and associated technology plan taking place at the group. It was agreed that group representatives on the TMG should report back to engage with their business groups to inform the development of the strategy.</p>	
9.	<b>Staffing issues</b>	HH
	<p>Various staffing issues were discussed. Russell requested that Hugh identify whether any member of the Audit Services group would be willing to work on a quality assurance assessment with representatives of the firms over the next few months and also to prepare to fill in for planned absence in the Audit Strategy group over the next six to nine months.</p>	
10.	<b>Diary Engagements</b>	
	<p>Forthcoming diary engagements were discussed. Bob's diary to be available electronically following his return from leave.</p>	
11.	<b>Dates of the next meetings</b>	
	<p>The 6 September would go ahead as an informal meeting given Caroline's absence.</p> <p>Given holidays and absence, it was agreed that the next formal meeting of the group would take place on 12 September, fitting around the visit by the MT to the Audit Commission on that day.</p>	

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 12 SEPTEMBER 2005 IN THE AUDIT COMMISSION OFFICE, LONDON

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of Previous Meeting - 16 August 2005</b></p> <p>The notes of the previous meeting were agreed, with the addition of the following point on hospitality during the forthcoming procurement process:</p> <p>“It was agreed that any members of MT and any members of staff directly involved in the procurement process for the audit appointments should decline any hospitality offered by potential appointees from the date of the OJEU advert until appointments had been made.”</p>	D McGiffen
<p>2. <b>Working Time Policy</b></p> <p>The working time policy which had been circulated was approved, subject to making clearer the nature of the counselling services offered.</p>	D McGiffen
<p>3. <b>Appointment of preferred firms</b></p> <p>The award of the following contracts, which had been approved by email, was confirmed:</p> <ul style="list-style-type: none"><li>– ‘Information and IM&amp;T study in the NHS’ —awarded to PWC</li><li>– ‘A Teaching Profession for the 21st Century (The Teachers’ Agreement)’ —awarded to George Street Research</li></ul>	
<p>4. <b>Business Planning Timetable and Corporate Priorities</b></p> <p>The report, which had been circulated was discussed. It was agreed that there would be no change in the three corporate priorities from 2004/05 and the timetable outlined was also agreed.</p>	
<p>5. <b>Budget 2006/07 progress</b></p> <p>Russell introduced the budget paper which had been circulated.</p> <p>The paper detailed the assumptions that had been used to prepare the budget and the implications for fees of 5% and 3% increases for each of the next two years.</p> <p>There was discussion about whether fee increases could be reduced further, and it was agreed that Russell and Diane should continue to prepare the budget papers for the SCPA for the deadline of 30 September 2005, and that MT would discuss the scope for further reduction at subsequent meetings.</p>	R Frith
<p>6. <b>Deferred agenda items</b></p> <p>The following items were deferred to the next meeting:</p> <ul style="list-style-type: none"><li>– External Relations strategy</li><li>– Proposed Staff Conference 2006</li><li>– Business Continuity Plan update</li><li>– Civil Partnership Act 2004</li></ul>	

7. **Date of next meeting**

The date of the next informal MT meeting is 20 September at 2.30pm.

The date of the next formal meeting of MT is 4 October 2005 at 2.30pm\*

\*The time of this meeting was subsequently changed to 2.00pm.

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 4 OCTOBER 2005 IN 110 GEORGE STREET, EDINBURGH

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith.  
Apologies: Diane McGiffen

	<u>Action</u>
1. <b>Notes of Previous Meeting – 12 September 2005</b> The notes of the previous meeting were agreed.	
2. <b>Occupational Health, Safety and Welfare Policy</b> The revised policy was discussed and agreed with the addition that in the absence of the Director of Corporate Services.	D McGiffen
3. <b>Extensions to Fixed Term Contracts</b> Two applications from Performance Audit for extensions to fixed term contracts in order to meet business needs were approved. The costs are to be met from within existing Performance Audit budgets.	C Gardner
4. <b>Early Retirement Application</b> A report from the Audit Services Director of Health Audit proposing the early retirement of a member of the administrative support staff was discussed.  It was agreed that whilst there would be a cost to the proposal there was a business case for the early retirement as part of a restructuring of the support services. The application was approved on the basis that the cost would be met by Audit Services.	H Hall
5. <b>Budget 2006/07</b> It was noted that the 2006/07 Budget proposal had been submitted to the SCPA. Provisional dates for a meeting of the SCPA were 25 or 26 October at 5.30pm.  The next stage would be to agree fee increases (with the local government increases to be put to the Accounts Commission's November meeting).  It was agreed that Russell would lead the consideration of the impact of different levels of fee increases on the business in discussion with MT members. A separate MT meeting would be arranged to consider the impact.	R Frith
6. <b>Staff Conference</b> MT considered Diane's paper and supported the principle of an all staff event.  The consensus was that an event should be held in late February, preferably as a one day event, in the central belt and that locations other than hotels should be considered eg Ratho or university facilities.	D McGiffen
7. <b>Reports for Information</b> The following reports were considered and noted:	

- Internal audit follow up report on Comptroller function
- Business Continuity Plan update
- Civil partnership Act 2004

8. **External Relations Strategy**

This report was deferred for fuller discussion at a later meeting.

D McGiffen

9. **Working with the Ombudsman**

Discussions with the Ombudsman's office about the use of their reports were noted. It was agreed that there should be an exchange of letters and notification to auditors that Ombudsman reports should be one of the sources of information for auditors when carrying out their risk assessments of audited bodies.

C Gardner

10. **Next Meeting**

11 October 10.00 am



## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 11 OCTOBER 2005 IN 110 GEORGE STREET, EDINBURGH

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith.  
Apologies: Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of Previous Meeting – 4 October 2005</b></p> <p>The notes of the previous meeting were agreed subject to the correction that Item 2—Occupational Health, Safety and Welfare Policy—should have read “The revised policy was discussed and agreed with the addition that in the absence of the Director of Corporate Services the Senior Manager HR &amp; OD would act in her place.”</p>	
<p>2. <b>Matters arising – Budget 2006/07</b></p> <p>The SCPA meeting has now been confirmed as 26 October at 6.00pm. Bob, Diane and Russell will attend.</p>	
<p>3. <b>Software and Hardware Purchasing and Licensing Policy</b></p> <p>The draft policy was discussed and approved.</p>	D McGiffen
<p>4. <b>Revised Relocation Policy</b></p> <p>The revised policy was discussed but a decision deferred to a future meeting when Diane will be present in order to better understand the rationale for the wording of the proposed policy change.</p> <p>Clarification was also sought of the budget treatment of relocation costs.</p>	D McGiffen
<p>5. <b>Publications Schedule</b></p> <p>James Gillies joined the meeting and presented the latest publications schedule.</p> <p>It was agreed that it would be useful to have an external presentation on the current state of Scottish media.</p>	J Gillies
<p>6. <b>Knowledge Management Update</b></p> <p>The update paper was discussed but it was agreed that further discussion should take place in order to understand:</p> <ul style="list-style-type: none"><li>• Progress on the pilot</li><li>• Progress on quick wins</li><li>• Integration with other developments such as document management and portal technology</li><li>• Communication with staff</li></ul>	D McGiffen
<p>7. <b>Quality update</b></p> <p>The update paper was noted.</p>	
<p>8. <b>Next Formal Meeting</b></p> <p>31st October 9.30 am</p>	

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 31 OCTOBER 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of Previous Meeting</b></p> <p>The notes of the previous meeting were agreed as an accurate record.</p>	
<p>2. <b>Environmental Strategy and Targets</b></p> <p>Mandy Gallacher and John Lincoln joined the management team to present on the proposed environmental strategy and targets that had been developed by the environmental group, the papers for which had been circulated.</p> <p>Following discussion, the management team approved the environmental strategy and targets for wider consultation with staff. Bob Black recorded his thanks to Mandy, John and the other members of the group for a very comprehensive and high-quality piece of work.</p> <p>It was also agreed to look at the opportunity for introducing an awards scheme for energy efficiency or environmental improvement suggestions.</p>	DM
<p>3. <b>Budget 2006/07 and Fee Options</b></p> <p>Russell introduced a discussion on his paper which had been circulated. It was agreed to propose fee increases of 3.8 percent for the 2005/06 audit and 3.8 percent for the 2006/07 audit. This requires Audit Scotland to achieve savings of £76,000 in 2005/06, £126,000 in 2006/07 and £345,000 in 2007/08. These savings are in addition to the embedded assumption that our costs for the 2007/08 financial year will be the 2006/07 costs plus 3 percent. This equates to an embedded, assumed saving of between £200,000 and £250,000.</p> <p>It was also agreed to undertake work to ensure a better understanding of capacity/utilisation across the organisation. It was agreed that this would be done on a sector basis for Audit Services and Performance Audit, with directors agreeing productivity levels. Russell will provide a note on the information that should be collated for this exercise. The objective of the exercise is to show capacity against indicative days and study programme to identify whether capacity exists beyond current work programmes and to show staff planned against each study. In addition, a similar exercise will take place for Corporate Services and Audit Strategy to demonstrate what value is added by the spend on these areas.</p> <p>Following the completion of the forecast for the current year, Russell will provide a detailed breakdown of the savings required from each group. It was agreed to discuss the 2006/07 budget at the next meeting.</p> <p>Diane provided an update on the property review.</p>	CG/HH RF  RF

4.	<b>Approval to award contract: Advertising recruitment and selection services</b>	
	MT approved the award of the advertising, recruitment and selection services contract to Barker Hudson on the basis of the information set out in the paper by the HR & OD manager which had been circulated.	
	The MT thanked the short-listing panel for the quality of the evaluation and paperwork.	
5.	<b>Homeworking at Audit Scotland</b>	DM
	Following discussion, the policy and procedure on homeworking were approved. It was agreed that there should be a clear policy on issuing routers to staff who are approved to work from home.	
6.	<b>Permanent amendment to competitive recruitment and Internal Promotions policy</b>	DB
	Following discussion, the agreed changes to the existing policy were approved, subject to setting a deadline on the point between when a post has been previously advertised on an open basis and not undertaking external advertisement for a post. David Blattman is to come back with a recommendation on this, but it was suggested that two or three years would be the maximum.	
	It was also agreed that on internal acting-up and additional responsibility allowances, the period allowed for temporary acting up and additional responsibility appointments without advertisement would be six rather than three months, to enable business needs to be met.	DB
7.	<b>Waiver of competitive recruitment process: Administration Assistant Post at East Kilbride office</b>	All
	It was agreed to approve the appointment of Joan Jones to the forthcoming, full-time, permanent vacant post on the basis of the business case outlined in the paper.	
8.	<b>Business Continuity Planning</b>	
	Following discussion, the business continuity plan (BCP) was approved. MT are required to confirm contact nominees and agreement to their role and responsibilities by 18 November. MT noted that:	
	<ul style="list-style-type: none"> <li>• An awareness session would be organised for all BCP members involving either desk-top or walk-through exercises;</li> <li>• That roles and responsibilities will be assigned for the ongoing review and update of the plan; and</li> <li>• That the BCP working group was meeting on 31 October.</li> </ul>	
	MT expressed its thanks to the BCP group for the thoroughness and high-quality of the work that had been done and it was recognised that the plan represents a very valuable document for use in an emergency.	

9. **Future operation of the MT**

Bob introduced a discussion about the operation of MT over the past few months and looking forward into the next year and stressed the importance of the continuing commitment to meet at least fortnightly on a formal basis and to continue with the pattern of informal meetings, because of the quality of discussion that had emerged from the informal process. It was also agreed that MT would have an away day before the Christmas break to look at key strategic issues including the revised corporate plan, the strategic environment in which we operate, new challenges and opportunities and internal performance.

10. **Quarterly Performance and Financial Reporting**

MT noted the progress on Corporate Plan priorities and performance indicators for July to September 2005 as outlined in the report which had been circulated. Hugh suggested that a traffic light system is introduced for the reporting and Diane agreed to experiment with the next report for this. A query was raised over Indicator 5a.2 and Diane agreed to investigate this.

DM

It was agreed that Hugh would report back to MT on the post-implementation review of the introduction of the modernised audit in health.

HH

11. **Commission papers**

There were no comments on the papers which had been circulated for the Commission meeting on 9 November.

12. **Freedom of Information**

It was agreed to arrange a meeting if possible to discuss some strategic issues around Freedom of Information.

All

13. **Date of next meeting**

The next formal meeting is on 8 November when there will be a presentation by Accent on the Communications research study, an update on knowledge management and the deferred discussion on the client relationship strategy.

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 8 NOVEMBER 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of previous meeting</b></p> <p>The notes of 31 October 2005, which had been circulated, were agreed as an accurate record.</p>	
<p>2. <b>Presentation by Accent Communication</b></p> <p>Sean Brennan and Miranda Mayes from Accent Communication, James Gillies and Fraser McKinlay joined the meeting for the next two items.</p> <p>Accent Communications presented the results of the communications audit study conducted in July 2005. The results of the research showed positive feedback about the perceptions that key stakeholders have of Audit Scotland and also some areas for potential improvement. It was agreed that:</p> <ul style="list-style-type: none"><li>• Accent Communications would be invited to present the results to members of the Performance Audit group, given the messages about how publications are perceived.</li><li>• To use the results to inform the revision of the communications strategy by the end of the year.</li><li>• To present the results to the Corporate Management Forum in the context of the wider discussion about the Scottish media.</li></ul> <p>Sean Brennan and Miranda Mayes left the meeting.</p>	<p>CG</p> <p>JG</p> <p>JG</p>
<p>3. <b>External Relations strategy</b></p> <p>Fraser McKinlay introduced his draft strategy paper which had been circulated. Following discussion, it was agreed:</p> <ul style="list-style-type: none"><li>• to approve the strategy and framework as described in the paper</li><li>• to hold a management team session to consider strategic themes and key messages</li><li>• to ensure sector plans are supported by clear external relations plans</li><li>• to develop policies and implementation plans for rolling out direct-dial usage and telephone-handling protocols alongside the new telephony system.</li></ul> <p>James left the meeting at this point.</p>	<p>DM</p> <p>CG/HH</p> <p>FM</p>

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|---|----|
| <p>4. <b>Knowledge Management update</b></p> <p>Fraser introduced a brief presentation to update the group on progress with Knowledge Management. This item will be explored further at a future MT meeting.</p> <p>Fraser then left the meeting.</p>   | FM |
| <p>4. <b>Budget 2006/07</b></p> <p>Diane updated the group on progress on the SCPA budget bid.</p> <p>There was discussion about the different impact that the 3.8 percent fee increase has on individual authorities because of the underlying gearing of aspects of the audit fee. It was agreed to continue this discussion.</p>   |    |
| <p>5. <b>Refurbishment update</b></p> <p>Following discussion, it was agreed to proceed with the refurbishment of 18 George Street and to continue with our existing property portfolio in Edinburgh. The refurbishment will have to be achieved within a significantly more modest budget than the cost for the original design proposals achieved.</p> <p>Diane will report back to the group when detailed costings have been developed, following consultation with the Performance Audit group about what can be achieved in the building within our budget.</p> | DM |
| <p>6. <b>FOI update</b></p> <p>Diane updated MT on a key change to policy that had been developed in response to an FOI request. In future, executive summaries of auditors' quality review reports will be made available on request.</p>  |    |
| <p>7. <b>Management Team Away Day</b></p> <p>Diane reported that the proposed MT away day would not be able to take place until January, given the commitments of the facilitator. It was agreed to proceed with an away day before Christmas focused on the external relations and communications strategy.</p>  |    |
| <p>8. <b>Dates of next meeting</b></p> <p>The informal meeting on 15 November will pick up the discussion on the proposed changes to the Relocation Policy which was deferred from 11 October. David Blattman will attend for this.</p> <p>The next formal meeting will be on 22 November at 10am.</p>  |    |

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 22 NOVEMBER 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of previous meeting</b></p> <p>The notes of the meeting of 8 November 2005 were agreed.</p> <p>It was further noted that at the informal meeting on 15 November 2005, the following decisions had been made:</p> <p>a) <u>Relocation policy</u></p> <p>It was agreed to approve the relocation policy subject to the amendment discussed at the meeting on the wording in advertisements of the availability of relocation payments.</p> <p>b) <u>Revised proposal on property relocation</u></p> <p>The revised proposal was discussed but Management Team confirmed their decision of 8 November to proceed with the refurbishment of 18 George Street.</p> <p>c) <u>Management Information System</u></p> <p>Management Team approved the decision to award the contract for the Management Information System (Finance module) to Turnkey, to deliver Navision as outlined in the papers circulated by Diane McGiffen. It was agreed to allow flexibility to negotiate up to the 20 percent variance on the contract without reference back to management team.</p>	<p>DB</p>
<p>2. <b>Board agenda</b></p> <p>Items for the forthcoming board meeting on 30 November were discussed. The deadline for the distribution of papers is Thursday, 24 November.</p>	
<p>3. <b>Year-end forecast</b></p> <p>Diane updated the group on the work to complete the year-end forecast and requested that MT members ensure that their teams have completed their returns to Steve Murray by 25 November at the very latest.</p>	<p>All</p>
<p>4. <b>Amendment to early retirement policy</b></p> <p>David Blattman joined the meeting for the following items.</p> <p>David introduced his paper which had been circulated. Following discussion, it was agreed to recommend the policy to the Board subject to revising the arrangements for annual reporting back to the Board on the cost and benefit of approved early retirements.</p>	<p>DB</p>
<p>5. <b>CIPFA/AAT Professional Qualification scheme</b></p> <p>David introduced his paper, which had been circulated, and provided an update on the progress of our professional trainees. It was agreed that the HR team would look for ways to improve the corporate work experience that trainees acquire while they are with us. David will return with proposals on this.</p>	<p>DB</p>

6. **Salary Benchmarking**

David introduced his paper, which had been circulated. Management Team noted the information provided on the market positioning of Audit Scotland salaries. The benchmarking had been discussed with PCS as part of the triennial review process. Given the evidence from the benchmarking paper and other evidence from recruitment and the staff survey, it was agreed that no further action would be taken.

David left the meeting.

7. **Management Team away day**

Bob Black set out a number of strategic issues for discussion before the end of the year. These include:

- The strategic positioning of Audit Scotland
- Corporate working
- Developing and supporting our staff, including the management development programme and reward strategy for FPSG and developing our new staff; and
- Issues of collaborative working for Audit Services and Performance Audit around the delivery of all of our core business.

In addition, Diane highlighted the need to discuss the key themes for the external relations strategy.

It was agreed that the away day scheduled for 12 December from 8.30am to 12noon in the Boardroom at 110 George Street would focus on these issues. It was agreed also that each MT member would circulate in advance relevant background papers so that MT members can prepare adequately.

8. **Date of next meetings**

The next informal meeting is scheduled for 29 November. Hugh Hall has submitted his apologies for this. The next formal meeting is Wednesday, 7 December 2005.



## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 7 DECEMBER 2005

Present: Bob Black, Caroline Gardner, Hugh Hall, Russell Frith, Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of previous meeting</b></p> <p>The notes of the meeting of 22 November 2005, which had been circulated, were agreed as an accurate record.</p>	
<p>2. <b>Staff Conference 2006</b></p> <p>Fraser McKinlay joined the meeting for the next two items. Following discussion of Fraser's paper, which had been circulated, it was agreed to proceed with the proposed date of 2 March 2006 for the one day staff conference at the Edinburgh Conference Centre at Heriot Watt University. It was agreed that the overall themes for the conference should be outward-looking, although there should also be a focus on some of the softer skills now essential for good delivery of our work.</p> <p>It was agreed that MT should contact Fraser with suggestions for keynote speakers by the end of week beginning 12 December, so that invitations could go out before Christmas.</p> <p>Fraser is to report back to MT in early new year on the conference.</p>	All  FMcK
<p>3. <b>Corporate Quality Framework</b></p> <p>Following discussion, the corporate quality framework was agreed. It was agreed that Russell and Caroline would discuss the quality appraisal process for Performance Audit work and the skills needed to undertake such work, and that this might be an opportunity to second in expertise from our sister audit agencies.</p> <p>Diane updated MT on the measuring impact strand of work.</p> <p>Fraser left the meeting</p>	RF/CG
<p>4. <b>Diversity Excellence Model</b></p> <p>Diane updated MT on the progress with the Diversity Excellence Model assessment, as outlined in the report which had been circulated. The next steps are to prepare an action plan in early 2006 for incorporating diversity into our routine business processes.</p>	DM
<p>5. <b>2005/6 Forecast</b></p> <p>The forecast, which had been circulated, was discussed. Following further work on the forecast, a paper would be presented to MT in early January to outline the budget implications of the fee levels for each business group.</p> <p>It was agreed that the capital expenditure on the East Kilbride office should proceed.</p>	RF/DM
<p>6. <b>Accounts Commission agenda</b></p> <p>The Accounts Commission agenda was reviewed.</p>	

7. **Press Cuttings Services**

James Gillies joined the meeting for this item. James tabled a short paper detailing the costing issue for the current press cuttings service and setting out three options for the future. It was agreed that James should negotiate around the second option and report back to MT. The consequence of the significantly-increased cost for the press cutting service is that Intranet access to online cuttings will be restricted, but it was agreed that alternative new arrangements would be introduced and James should communicate fully the explanation for the change in the service.

JG

8. **Forward Publications Schedule**

James introduced the forward publications schedule which highlighted the significant number of reports being published in January and February 2006. It was agreed that Caroline and James would discuss proposals for revising the publication dates for some Best Value reports.

CG/JG

9. **Date of next meeting**

The management team "away day" for 12 December is being held in the Boardroom at 110 George Street from 9am to approximately 1pm.

The routine business meeting for the management team is 13 December at 2.30pm.

## AUDIT SCOTLAND MANAGEMENT TEAM

### MINUTE OF MEETING HELD ON 13 DECEMBER 2005

Present: Bob Black, Hugh Hall, Caroline Gardner, Russell Frith, Diane McGiffen

	<u>Action</u>
<p>1. <b>Notes of previous meeting – 7 December 2005</b></p> <p>The notes were agreed as an accurate record.</p>	
<p>2. <b>Race Equality Scheme</b></p> <p>The revision to the Race Equality Scheme and updating of the internet, as recommended in the paper circulated by Diane McGiffen, were agreed.</p> <p>Fraser McKinlay joined the meeting for the next two items.</p>	DM
<p>3. <b>Facilities Management and Administration Review</b></p> <p>Fraser McKinlay presented an update on the review, following the paper he had circulated in September 2005. Following discussion, it was agreed that:</p> <ul style="list-style-type: none"><li>– Option 2 should be progressed to deliver a corporate facilities management services, improved corporate standards for administration and the retention of team-based and centrally-based administrative staff.</li><li>– Fraser tabled a paper on the costs of Option 2 and will report back in detail on the implementation plan and costs early in the new year.</li></ul>	FM
<p>4. <b>Corporate Plan 2005-09 – key messages</b></p> <p>Fraser McKinlay presented an update on the corporate plan and spoke to the paper, which had been circulated, on key themes.</p> <p>Following discussion, it was agreed:</p> <ul style="list-style-type: none"><li>– To ensure that performance audit, modernised audit and best value appear in the section on Supporting Democratic Scrutiny.</li><li>– Maximising the Value of Audit will refer to our efficiency and effectiveness work for Performance Audit and Audit Services.</li><li>– To include our environmental targets, diversity work and external relations strategy</li><li>– To ensure adequate attention is given to impact on service users in our work.</li></ul> <p>Fraser left the meeting.</p>	FM
<p>5. <b>Internal Audit Reports</b></p> <p>The reports on Freedom of Information (05/01) and Use of Performance Measures and Indicators (04/06) were noted.</p>	

6. **AOB**

6.1 Newspaper Licensing Authority (NLA)

James Gillies joined the meeting to update MT on negotiations with the NLA. James tabled a paper on options and costs. MT agreed, on the basis of the increased costings, to Option 2, which would limit the number of users and cost £20k. James to ensure effective communication about the charge and the reasons for it to all those affected.

JG

6.2 SOLACE

Bob tabled information from SOLACE on potential training courses on 'Aspiring to be a corporate director'. It was agreed that MT members would establish any interest and attendance would be co-ordinated by Diane McGiffen.

All

7. **Dates of next meetings**

The next informal meeting will take place on 20 December at 2.30pm.

The next formal meeting is on 17 January 2006 at 10am.