



**Minutes of Management team meetings
2017**

**AUDIT SCOTLAND MANAGEMENT TEAM
 MINUTE OF MEETING HELD ON 10 JANUARY 2017
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

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

Apologies: None

In attendance: Jonathan Austin *item 5*
 David Blattman *item 5*
 Charlotte Anderson *Item 5*

1.	Minutes of the meeting of 20 December 2017		
	The draft minutes dated 20 December 2017, were discussed and agreed as an accurate record of discussions. Diane advised Management Team of the information requested by the SCPA following the meeting on 21 December 2016, relating to Best Value and new AD post	JWebber	Jan 2017
2.	Communications Digest		
	Diane McGiffen invited Management Team to note the Communications Digest, a copy of which had been previously circulated. Management Team discussed the highlights, recent and forthcoming publications and key issues reported.	JWebber	Jan 2017
3.	Hotlist of Emerging Audit Risks		
	Management Team discussed the Hotlist of Emerging Audit Risks report, which had been previously circulated. Following discussion, Management Team noted the updates reported and the addition of new item.		
Becoming World Class			
4.	Making a Difference: Demonstrating Best Value in ASG Update		
	Fiona Kordiak introduced the update report on Demonstrating Best Value in ASG, which had been previously circulated. Fiona invited Management Team to note the report and welcomed any feedback prior to its submission to the Board.		

	<p>Management Team welcomed the report which demonstrated good progress over the past 5 years to achieve value for money, quality and continuous improvement and the cost analysis which provide a foundation to develop the future strategy on cost and quality of ASG's work.</p> <p>During discussion, Management Team provided feedback on the report.</p> <p>Fiona advised Management Team the report would be shared the SCPA and colleagues once it had been to the Board.</p>	FKordiak	Jan 2017
5.	Building a Better Organisation: Best Companies		
	<p>Jonathan Austin, David Blattman, Angela Canning, Mark Taylor and Charlotte Anderson joined the meeting.</p> <p>Jonathan Austin introduced a presentation to Management Team on the results from the latest Best Companies Survey. Jonathan invited Management Team to consider the areas where an increase in ratings had been recorded before inviting a more detailed discussion on the factors with lower ratings.</p> <p>Management Team welcomed the presentation, acknowledging we had retained the 'One to Watch' status and thanked Jonathan for sharing his insights.</p> <p>Management Team noted a further discussion was scheduled at next week's meeting.</p> <p>Jonathan Austin, David Blattman, Angela Canning, Mark Taylor and Charlotte Anderson left the meeting.</p>	DMcGiffen	Jan 2017
6.	Draft Agenda: Management Team Meeting 17 January 2017		
	Management Team considered the draft agenda.		
7.	AOB		
	<p>- Edinburgh Tram Public Inquiry Management Team discussed the interview document received from the Inquiry. Fraser advised Management Team Communications were assisting in the preparation of the personal statement. Russell Frith advised he would be able to assist in providing corporate input and support.</p>	RFrith	Jan 2017
8.	Date of Next Meeting		
	The next Management Team meeting will be held on: Tuesday 17 January 2017.		

	Apologies: None <i>Please give your apologies to Joy Webber (x1606)</i>		
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Management Team

Meeting on Tuesday 17 January 2017

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

Present:

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

In attendance:

Martin Walker	items 2, 3, 4, 5, 6, 7
David Robertson	item 3
Alex Devlin	items 5, 6, 7
David Hanlon	items 8, 9
Neil Cartlidge	item 10
Dorothy Lavery	item 10
Owen Smith	item 11
David Blattman	item 12
Charlotte Anderson	item 12

1. Minutes of meeting 10 January 2017

The draft minutes dated 10 January 2017, were discussed and agreed as an accurate record of discussions subject to minor amendment.

Fraser McKinlay provided a verbal update on the Edinburgh Tram Inquiry. Management Team discussed the support offered to Graeme Greenhill in advance of and during his attendance at the inquiry. Diane McGiffen advised that the Chair of the Board had also been briefed.

2. Review of Risk Register

Martin Walker joined the meeting.

Martin Walker introduced the Review of Risk Register report, a copy of which had been previously circulated.

Martin invited Management Team to note the additional risk relating to our records management policy which has been escalated by the Information Risk Register by the KITGG. The risk relates to files which have been auto deleted from the system.

Management Team noted steps were underway to recover the auto deleted files and while the volume of lost files may be low acknowledged the review and refresh of the policy would raise awareness.

During detailed discussion, Management Team welcomed the assurance that a review of all business groups had been undertaken to ensure there were no gaps in reporting, the sites had been refreshed and a report on any data loss would come back to Management Team in March.

Action: Martin Walker to report back to Management Team in March 2017.

3. Risk Interrogation: Independence, legitimacy and relevance

Martin Walker introduced the Risk Interrogation report, which had been previously circulated.

Martin invited Management Team to review and comment on the risk interrogation, and subject to any amendments agreed for it to be submitted to the Audit Committee for its consideration at the meeting on 1 February 2017.

Management Team considered the controls in place for the linked risks such as the public audit framework, Code of Audit Practice, ethical standards and quality review to protect independence and legitimacy.

Following detailed discussion, Management Team welcomed the interrogation and approved its submission to the Audit Committee.

4. Internal Audit Report

David Robertson and Nicola Paton joined the meeting.

- **IT Security Review**

Martin introduced BDO's internal audit report and invited David Robertson and Nicola Paton to answer any queries.

David invited Management Team to note the reasonable assurance provided and recommendations already implemented as a result of the review.

During detailed discussion, Management Team welcomed the assurance provided but in considering the recommendation relating to the centrally managed group password access agreed unique and individual passwords should be adopted.

Following discussion, Management Team agreed David Robertson would update BDO on the agreed recommendation in order they could issue a revised report for consideration by the Audit Committee.

David Robertson and Nicola Paton left the meeting.

- **Best Value Audit Approach**

Martin introduced BDO's internal audit report and invited Management Team to note the substantial assurance provided.

Following discussion, Management Team welcomed the assurance provided.

5. Annual internal audit plan 2017/18

Alex Devlin joined the meeting.

Alex Devlin introduced BDO's report Annual internal audit plan 2017/18, which had been previously circulated.

Alex invited Management Team to consider BDO's proposed plan of internal audit work, highlighting one small amendment for BDO to attend five Audit Committee meetings, as opposed to the four currently reported.

Management Team welcomed the report and acknowledged the benefits of the terms of reference being shared with the Audit Committee for input in advance of finalising the scope for each audit.

6. Internal audit recommendations update

Alex Devlin introduced the report on Internal Audit Recommendations Update, a copy of which had been previously circulated.

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

During discussion, Management Team agreed additional wording should be included in the Value for Money section.

7. Co-operation between internal and external auditors

Alex Devlin introduced BDO and Alexander Sloan's report on Co-operation between internal and external auditors, a copy of which had been previously circulated.

Alex invited Management Team to note the report prior to its consideration by the Audit Committee.

Following discussion, Management Team noted the report.

Martin Walker and Alex Devlin left the meeting.

8. 2016/17 Statutory Accounts Timeline

David Hanlon joined the meeting.

David Hanlon introduced the report setting out the proposed timetable to approve the statutory accounts.

Following discussion, Management Team agreed the proposed timetable.

9. 2017/18 Budget, SCPA Report

Diane McGiffen introduced the SCPA's official report following the meeting on 21 December 2016 approving the 2017/18 Budget and Spring Budget Review, which had been previously circulated.

Management Team discussed the follow up information to be provided to the SCPA on the scope of the work to be undertaken in relation to new financial powers and the additional information sought on time spend and added value for money from Audit Services which was the subject of a follow up report being considered by the Board on 20 January 2017.

Management Team discussed the next steps quality and assurance, engagement with the firms and preparedness for PAC and their expectations. Russell Frith agreed to have clear guidance available for the next meeting of the partners, the date for which would be confirmed.

Following discussion, Diane McGiffen advised she and David Hanlon would draft a response to the SCPA.

Action: Diane McGiffen and David Hanlon to prepare a response to the SCPA with the further information requested. (January 2017)

Action: Russell Frith to prepare clear guidance on respective roles for audit firms for the next meeting of the partners. February 2017

10. Q3 Correspondence Performance Report 2016/17

Neil Cartlidge and Dorothy Lavery joined the meeting.

Neil introduced the Q3 Correspondence Performance report 2016/17, which had been previously circulated.

Neil invited Management Team to note the continued good progress in managing correspondence cases, highlighting the desire to strengthen the target of a full response to correspondents within 20 working days, continued communication internally on the new guidance and engagement with firms and other external organisations.

Management Team commented on the additional information relating to the audit themes arising from correspondence received and would welcome the alignment of target responses with that for corporate complaints.

Following discussion, Management Team welcomed the report and continued progress.

Neil Cartlidge and Dorothy Lavery left the meeting.

11. Securing World Class Audit: Comparison of indicative and agreed fees 2015/16 Audits

Owen Smith joined the meeting.

Russell Frith introduced the Comparison of indicative and agreed fees report 2015/16 Audits, a copy of which had been previously circulated.

Owen Smith invited Management Team to note the report and agree its submission to the Audit Committee on 1 February 2017.

Management Team considered the comparison of the final agreed fees to the indicative fees for the 2015/16 audit year to demonstrate that Audit Scotland will recover its overall budgeted costs, the explanations for sector and auditor variations and the analysis undertaken of the last audit appointments on trends in fee setting against budget.

Following detailed discussion, Management Team welcomed the report.

Owen Smith and David Hanlon left the meeting.

12. Building a Better Organisation: Best Companies Engagement

Angela Canning, Mark Taylor, David Blattman and Charlotte Anderson joined the meeting.

Diane McGiffen invited Management Team to consider the format for the session with Leadership Group scheduled on 25 January 2017.

During detailed discussion, Management Team considered the results for their respective business groups.

Following discussion, Management Team reflected that the overall survey results were good, retaining the 'One to Watch' status and agreed that the focus of the discussion with Leadership Group would be to explore the factors in more detail.

Angela Canning, Mark Taylor, David Blattman and Charlotte Anderson left the meeting.

13. Draft agenda: Management Team 24 January 2017

Following the discussion at item 12 above, Management Team agreed the items of business would be considered and approved by correspondence.

14. Any other business

Annual Audit Conference

Fiona Kordiak provided a verbal update on the logistics for the Annual Audit Conference in Dunblane which was being chaired by Gillian Woolman. Management Team welcomed the update.

Diane McGiffen invited Management Team to note the office at West Port will be visited by BCO judges in February with Hugh Anderson of haa design.

15. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 31 January 2017.

Management Team

Meeting on Tuesday 31 January 2017

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

Present:

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

In attendance:

David Hanlon item 3
David Blattman item 3

1. Minutes of meeting 17 January 2017

The draft minutes dated 17 January 2017, were discussed and agreed as an accurate record of discussions subject to minor amendment.

Diane McGiffen advised she and David Hanlon were pulling together additional information requested by the SCPA on the 2017/18 budget and Management Team noted the Finance Committee's approval of Audit Scotland's budget submission.

Diane McGiffen advised Management Team of discussions with the Chair and Audit Committee Chair on openness and transparency, with a further discussion scheduled at the Board meeting on 22 February 2017.

Diane advised that following the Board's consideration of a draft report on value for money in Audit Services, Fiona Kordiak was finalising the report. Fraser McKinlay agreed to schedule a value for money report for Performance Audit and Best Value to Management Team.

Action: Fraser McKinlay to schedule a report to Management Team on value for money in Performance Audit and Best Value. (March 2017)

2. Making a Difference: Publications Update

Fraser McKinlay invited Management Team to note the extended moratorium period and consideration of the current schedule of publications.

Following discussion, Management Team noted the proposed earlier publication of the Local Government Overview report, engagement with Scottish Parliament and agreed Fraser McKinlay would post details of the timetable on ishare for information.

Action: Fraser McKinlay to post details of the moratorium period on ishare. February 2017

3. Building a Better Organisation: Update

David Blattman and David Hanlon joined the meeting.

David Blattman invited Management Team to note the letter received from PCS in connection with Audit Scotland's pay award. David advised Management Team that he, Diane McGiffen and Fiona Kordiak had an initial meeting with PCS on 2 February 2017 to discuss Audit Scotland's pay offer and tabled the key reasons to support the proposal under BABO.

David Hanlon tabled the financial breakdown for the transition to the new pay strategy which was largely unchanged from the previous discussion in November 2016. During discussion, Management Team noted IES had been undertaking further work on the longer term sustainability of the model.

Management Team noted the implementation cost of the new pay strategy was less than 1% of the current pay bill and future awards would be funded by reducing recruitment costs and managed as part of the operational budget.

During detailed discussion, Management Team considered the letter from PCS and confirmed that Audit Scotland is an accredited living wage employer and Audit Scotland's continued commitment to no compulsory redundancies. Turning to notice periods, Management Team acknowledged the proposal of increased notice periods from one month to three but agreed that any policy should be applied across the board. In consideration of the proposal for service related annual leave entitlement, Management Team agreed the benefits of the new Time, Place, Travel policy provided greater flexibility both for staff and the organisation.

Turning to the car scheme, David Blattman confirmed this remained in place for existing roles and it would only be removed on promotion. David advised of continued work by the team looking at flexible staff benefits.

Management Team noted that a report was scheduled to go to Remco in March 2017 on the reward proposals for the Leadership Group and Fraser McKinlay and Fiona Kordiak advised of further consideration of Leadership Group development in light of the new AD appointments.

Finally, David Blattman tabled early expressions of interest for the VERA scheme 2017 and associated calculations. David advised he would meet with each of the respective directors in early course to discuss individual business cases and workforce planning before returning to Management Team for approval.

David Blattman provided a brief update on the BSS VR scheme.

Management Team welcomed the discussion.

Action: David Blattman to report back to Management Team with VERA business cases. (February 2017)

David Blattman and David Hanlon left the meeting.

4. Draft agenda: Management Team 14 February 2017

Management Team noted the proposed agenda for the meeting on 14 February 2017.

5. Any other business

There was no further business.

6. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 14 February 2017.

Management Team

Meeting on Tuesday 14 February 2017

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

Present:

Diane McGiffen (Chair)
Russell Frith
Fiona Kordiak
Joy Webber (Minutes)

Apologies:

Caroline Gardner
Fraser McKinlay

In attendance:

Martin Walker item 2

1. Minutes of meeting 31 January 2017

The draft minutes dated 31 January 2017 were discussed and agreed as an accurate record of the meeting subject to minor amendment.

2. Making a Difference: Horizon Scanning and Priorities 2017/18

Martin Walker joined the meeting.

Martin Walker introduced the report Horizon Scanning and Priorities 2017/18, a copy of which had been previously circulated.

Martin invited Management Team to discuss the current operating environment and organisational priorities as set out in the appendix to the report in order to help inform the refresh of the Corporate Plan for 2017/18 and business and improvement planning.

Management Team welcomed the report and during detailed discussion acknowledged the external environment within which we operate is changing significantly and rapidly which presents a wide range of challenges and opportunities. Management Team also reflected on internal organisational changes, new audit responsibilities and wider public sector risks.

Following discussion, Management Team agreed the basis of the report going to the Board would provide an opportunity to focus discussions specifically on the external operating environment to inform the ongoing consideration of strategic priorities and responses which in turn would help shape the corporate, thematic and business plans. In addition, Management Team agreed to a further discussion at next week's meeting to scan the horizon.

Martin Walker left the meeting.

3. **Draft agenda: Management Team 21 February 2017**

Management Team discussed the draft agenda noting the inclusion of an updated from Russell Frith on the PAPLS Committee forthcoming scrutiny of NFI, a verbal update on which would also be shared with the Board on 22 February 2017.

4. **Draft agenda: Audit Scotland Board 22 February 2017**

Management Team noted the inclusion of the update on the NFI Scrutiny by the PAPLS Committee as discussed at item 3 above.

Following discussion in relation to the Value for Money report for Audit Services, Diane McGiffen and Russell Frith would review the latest version prior to it being circulated to the Board for comment and approval. Once approved the report would be shared with the SCPA.

Russell Frith advised Management Team of the discussion with and contribution from the Accounts Commission on the Review of Audit Quality report at their meeting on 9 February 2017.

Action: Fiona Kordiak to circulate to Diane McGiffen and Russell Frith the updated Value for Money Report by Audit Services for final review. February 2017

5. **Any other business**

Management Team discussed the current complaints process and agreed they would welcome a review to gain assurance on the interaction between the complaints and correspondence processes.

6. **Date of next meeting**

It was noted that the next meeting of Management Team was scheduled for 21 February 2017.

Management Team

Tuesday 21 February 2017, 9.15am

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

Present:

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

Apologies:

None

In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk
John Gilchrist, Manager - Procurement, Audit Strategy

1. Minutes of meeting: 14 February 2017

The draft minutes dated 14 February 2017 were discussed and agreed as an accurate record of the meeting subject to minor amendment.

2. Reviewing the External Operating Environment and Priorities 2017

Martin Walker joined the meeting.

Diane McGiffen provided an overview of discussions at last week's Management Team meeting before inviting Martin Walker to introduce the report Reviewing the External Operating Environment and Priorities 2017, a copy of which had been previously circulated and was to be considered by the Board at its meeting tomorrow, 22 February 2017.

Management Team agreed the report captured the key influencing factors in the external operating environment and during detailed discussion considered the inclusion of additional factors in relation to the uncertainties around the forthcoming devolved tax and social security powers and in relation to environmental matters, extreme weather, flood prevention and the cost of energy.

Following discussion, Management Team agreed Martin would incorporate the feedback into the draft corporate plan, setting out more detail around resourcing for the allocation of new financial powers work, capacity building and raising the digital agenda.

Martin advised Management Team the next step would be to assess quality and efficiency to inform priorities around sequencing and resourcing of developments for digital and internal reporting systems.

Management Team welcomed the discussion and agreed an update on Digital Services Strategy would be scheduled in early course.

Action: An update on Digital Services Strategy to be scheduled in early course. (March 2017)

3. Q3 Performance Report 2016/17

Martin Walker introduced the Q3 Performance Report 2016/17, which had been previously circulated.

Martin invited Management Team to note the positive performance in Q3, highlighting the number of audit reports delivered, the number of high profile reports published as part of our publication schedule and overall resourcing. Martin invited Management Team to consider the proposed change of assessment for objective 2.3 to green to reflect the change in approach to gathering information on, the response to, and the outcome of recommendations has led to more evidence being available on the positive impact of audit work at national and local level.

During discussion on the approach to and measuring of impact, Management Team approved the change in assessment and agreed welcomed the report.

Management Team recognised the work of Audit Services colleagues in achieving the delivery of the audit reports and on the question of building the firms' work into our performance reports, Management Team noted these were internal Audit Scotland reports with wider reporting on the audit regime being included in our annual report and as part of our ongoing quality arrangements.

Martin noted additional commentary was required in relation to 3.5 to reflect the move from PADs to 3Ds as part of developments under our BABO programme.

Following discussion, Fraser McKinlay advised he would build our approach to impact into the Making a Difference work stream to explore and set out articulation of our theory around improvement and what our role might be in that.

4. Q3 Becoming World Class Improvement Programme Report 2016/17

Martin Walker introduced the Q3 Becoming World Class Improvement Programme Report 2016/17, a copy of which had been previously circulated.

Martin invited Management Team to note the continued good progress across the workstreams and planned activity in the next quarter and the additional information to be added in relation to Young Scot, the SDS survey work and review of the health and social care hub.

Following discussion, Management Team reflected on the progress of the respective workstreams over the past two years while acknowledging the simplification of systems and processes need to be progressed.

Martin Walker left the meeting.

5. PAPLS Committee Scrutiny of NFI

John Gilchrist joined the meeting.

Russell Frith introduced the report on PAPLS Committee Scrutiny of NFI, which had been previously circulated.

Russell invited Management Team to note the remit of the PAPLS Committee inquiry and discuss the proposed basis of our response to be submitted by 31 March 2017.

During detailed discussion, Management Team reflected on Audit Scotland's power, as set out in Section 97 of the Criminal Justice and Licensing (Scotland) Act 2010, to conduct data matching exercises. In light of new devolved arrangements Management Team recognised the potential impact on resource in light of anticipated responsibilities and agreed there would be benefit in seeking an opportunity to discuss with the Committee in advance of submitting a

response. Similarly, Management Team agreed it would be useful to have sight of the proposed timetable and process after the call for evidence.

John Gilchrist advised Management Team of a meeting with the other UK audit agencies next week when he would seek input.

Following discussion, Management Team welcomed the update and noted Russell would be sharing a verbal update to the Board at its meeting.

John Gilchrist left the meeting

6. Draft agenda: Management Team 28 February 2017

Management Team noted the proposed agenda for the meeting of Management Team on 28 February 2017.

7. Draft agenda: Accounts Commission March 2017

Management Team noted the draft agenda for the meeting of the Accounts Commission meeting on 9 March 2017.

8. Any other business

- Update on PCS

Diane McGiffen provided a brief summary of the negotiation points and continuing pay award discussions with PCS, with the next meeting scheduled for Friday 24 February 2017.

- Leadership Group

Diane McGiffen advised the report coming to Management Team next week will set out options for reward and proposed longer term role development for consideration which Fraser and Fiona would discuss with their respective ADs in due course.

Management Team discussed the new AD appointments and noted the resulting permanent movements of staff within PABV and ASG teams.

- SCPA update

Diane advised of a meeting with Stephen Herbert tomorrow and would provide an update at next week's meeting. Diane invited Management Team to note that discussions around quorum of the Board were ongoing.

- Ethical standards

Russell Frith advised Management Team that as a result of Aberdeen City Council having listed debt we needed to consider a new policy covering staff holding financial interests in audited bodies. This would be brought back to Management Team as part of an update of ethical guidance but initial thinking was that a blanket ban on staff holding listed financial instruments issued by audited bodies would be appropriate to maintain flexibility in audit resourcing.

9. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 28 February 2017.

Management Team

Tuesday 28 February 2017, 9.15am

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

Present:

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

Apologies:

Fiona Kordiak

In attendance:

David Blattman, HR & OD Manager
Debi Chisholm, HR Consultant
Tracey Bray, Senior Business Partner

1. Minutes of meeting: 21 February 2017

The draft minutes dated 14 February 2017 were discussed and agreed as an accurate record of the meeting subject to minor amendment and the inclusion of additional wording to be provided by Russell Frith.

2. Building a Better Organisation

- **VERA 2017**

David Blattman and Debi Chisholm joined the meeting.

David Blattman introduced the report on VERA 2017, a copy of which had been previously circulated.

David invited Management Team to review the expressions of interest received and consider and approve or reject each based on individual business cases in advance of the report going to the Remuneration and Human Resources Committee meeting for approval on 15 March 2017.

Management Team agreed that in order to fully assess each case in the context of one organisational working, David Blattman would liaise with the respective business leads in advance of preparing a further report to Management Team next week. The report would also provide details of all of the expressions of interest received, show those which have already declined by the business group or withdrawn by individuals to enable Management Team to consider each case under the VERA scheme.

In the absence of Fiona Kordiak, Diane McGiffen would invite Mark Taylor to join the discussion at next week's meeting.

Action: David Blattman to meet with business leads to discuss business cases in advance of returning to Management Team next week with a further report. (March 2017)

Action: Diane McGiffen to invite Mark Taylor to join Management Team meeting next week to discuss Audit Services Group business cases. (March 2017)

Debi Chisholm left the meeting.

- **BABO Update**

Tracey Bray joined the meeting.

David Blattman introduced the update report on Building a Better Organisation, which had been previously circulated.

David invited Management Team to note progress in negotiations with the PCS Union and sought Management Team's guidance on the areas of near agreement in advance of a final meeting with the union on 13 March 2017.

During detailed discussion, Management Team considered the various points of negotiation and concluded that the overall reward package was a good offer for employees in the context of the external market but also recognising the opportunities being provided to colleagues as part of the wider BABO workstream.

- **Leadership Group Development and Reward Strategy**

David Blattman introduced the Leadership Group Development and Reward Strategy report, a copy of which had been previously circulated.

David invited Management Team to explore and agree proposals for the development of the leadership roles and the reward system to be operated to be considered by Remco at their meeting on 15 March 2017.

During detailed discussion, Management Team considered and agreed the initial phase of work for Diane and David to capture the various strands of the work in project plan by 31 March 2017. Turning to the proposal for the interim management of the pay award cycle for the Leadership Group in April 2017, Management Team discussed and agreed the basis upon which the pay award would operate this year.

Management Team welcomed the discussion and subject to the inclusion of additional information agreed the report could be submitted to Remco for their consideration.

Action: Diane McGiffen and David Blattman to prepare a project plan for consideration by Management Team. (March 2017)

David Blattman and Tracey Bray left the meeting.

3. Draft agenda: Management Team 28 February 2017

Management Team noted the proposed agenda for the meeting of Management Team on 7 March 2017.

4. Draft agenda: Leadership Group 8 March 2017

Management Team noted the draft agenda for the meeting of the Leadership Group on 8 March 2017.

5. Any other business

- UK SAI COOs meeting

Diane McGiffen provided a summary of the meeting of the UK and Ireland Chief Operating Officers on 24 February 2017. Management Team welcomed the short term secondment opportunities with the other audit agencies and Diane would liaise with the HR & OD team to take this forward.

6. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 7 March 2017.

Management Team

Tuesday 7 March 2017, 9.15am

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

Present:

Diane McGiffen (Chair)
Russell Frith
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

Caroline Gardner
Fiona Kordiak

In attendance:

Gillian Woolman, Chair of Diversity and Equality Steering Group
Jillian Matthew, Audit Manager, Performance Audit and Best Value
Paul Reilly, Secretary to the Accounts Commission
David Blattman, HR & OD Manager
Mark Taylor, Assistant Director, Audit Services Group
James Gillies, Communications Manager

1. Minutes of meeting: 28 February 2017

The draft minutes dated 28 February 2017 were discussed and agreed as an accurate record of the meeting.

Diane McGiffen advised Management Team that Paul Reilly was to join the meeting to provide an update on Douglas Sinclair, Chair of the Accounts Commission.

Paul Reilly joined the meeting.

Paul Reilly advised Management Team of Douglas Sinclair's immediate retirement due to ill health which would be announced on 8 March 2017. Paul confirmed that Ronnie Hinds would be acting chair of the Accounts Commission at their meeting on 9 March 2017 with Graham Sharp as the acting deputy. Management Team noted the communications which were planned, administrative arrangements and likely timings in relation to a recruitment campaign.

Management Team expressed their best wishes for Douglas recognising the knowledge and experience he had brought to his role and reflecting he will be missed by colleagues.

2. Making a Difference: Equality Reporting

Gillian Woolman and Jillian Matthews joined the meeting.

Gillian Woolman introduced the Equality Reporting paper, a copy of which had been previously circulated.

Gillian invited Management Team to approve the Equality outcomes and mainstreaming progress report for 2016/17 and the Equality outcome measures report April 2017.

Jillian Matthews introduced the draft Equality outcomes and mainstreaming report and Paul Reilly introduced the forward look Equality outcome measures report, both of which were due to be published by the end of April.

During detailed discussion, Management Team welcomed the progress made both in terms of mainstreaming equality within our organisation and the revised set of equality outcomes, recognising the increase awareness of equality in audit work, involvement of the PABV advisory group and increased engagement with different groups ie disabled and young people.

Following discussion, Management Team shared with the team detailed comments on the drafts, agreeing the extension of the executive summary to include the achievements to date, the need to ensure the headcount figures are accurately reported at a point in time, sought clarity around why the objectives had reduced from three to two and the addition of a collective statement to link the reports to Public Audit in Scotland. Gillian Woolman agreed to link in with Martin Walker to ensure these reports linked into the Corporate Plan.

Management Team agreed that streamlining the reporting to the two reports on behalf of Audit Scotland and the Accounts Commission was the preferred option.

Management Team acknowledged the considerable input by the team to develop equality and diversity in Audit Scotland and in the audit work we undertake.

Action: Diane McGiffen to share detailed comments on the draft reports. (March 2017)

Action: Gillian Woolman to liaise with Martin Walker in relation to the Corporate Plan. (March 2017)

Action: Gillian Woolman to schedule an Equalities Summit with Management Team. (March 2017)

Gillian Woolman, Jillian Matthews and Paul Reilly left the meeting.

3. Building a Better Organisation

David Blattman and Mark Taylor joined the meeting.

- VERA 2017

David Blattman introduced the second VERA 2017 report, a copy of which had been previously circulated.

David invited Management Team to consider and reject or approve the VERA applications on the merits of their respective business cases.

During detailed discussion, Management Team considered each business case taking account of the wider team and one organisational implications.

Following discussion and further reflection, Management Team rejected each business case recognising the impact of losing the skills, knowledge and experience for the organisation.

Action: David Blattman to draft a communication to staff. (March 2017)

Action: Directors and Assistant Directors to advise individuals of the outcome of the review of VERA business cases. (March 2017)

- BABO Update

David Blattman introduced the BABO Update report, which had been previously circulated.

David invited Management Team to consider the options the BABO Update report, which had been previously circulated.

Mark Taylor left the meeting.

Diane invited Management Team to consider the points set out in David Blattman's email in relation to the review of the Leadership Group pay award strategy.

During detailed discussion, Management Team recognised the need for simplicity and fairness and agreed it was too early to make a decision without the required assurance for the long term reward strategy.

Following discussion, Management Team agreed an interim proposal, with a view to implementing the longer term strategy by end September 2017.

David Blattman invited Management Team to consider the additional information provided in support of the recommendations for the proposed reduction of CO₂ omissions of Audit Scotland's basket of cars available to staff.

Management Team welcomed the additional information and following further discussion agreed that the cap be set at 120g with a 140g ceiling for AWD. This was in the median range of UK employers and provided flexibility for staff. David advised this would be shared with PCS at their final meeting with the union on the overall pay reward.

David Blattman left the meeting.

4. Communications Digest

James Gillies and Mark Taylor joined the meeting.

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

James invited Management Team to note the key highlights, press coverage and publications activity.

Management Team welcomed the report, acknowledging the level of interest across our publications.

5. Hotlist of Emerging Audit Risks

Mark Taylor introduced the report Hotlist of Emerging Audit Risks, a copy of which had been previously circulated.

Mark invited Management Team to note the seven new emerging and developing risks as reported, the updates in relation to the audit work underway and the status of each matter where further audit activity is required.

Management Team discussed a number of the key risks emerging, noting the updates to ongoing matters and approving the closure of one risk.

James Gillies and Mark Taylor left the meeting.

6. Draft agenda: Management Team 14 March 2017

Management Team noted the proposed agenda for the meeting of Management Team on 14 March 2017.

7. Draft agenda: Remco 15 March 2017

Management Team noted the draft agenda for the meeting of the Remuneration and Human Resources Committee on 15 March 2017.

8. Draft agenda: Audit Firms 27 March 2017

Russell Frith invited Management Team to note the proposed agenda for the first meeting of the new audit appointment round and welcomed any input from colleagues.

Management Team welcomed the opportunity to consider the agenda and agreed for this first meeting that setting out the expectations of Parliamentary and other forums was key for auditors and the firms to understand. In addition, Management Team agreed that the added value elements from each firm as part of the procurement exercise should be captured and shared and a scan of the external operating environment would be useful to consider the challenges faced by auditors and the firms.

9. Any other business

There was no further business.

10. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 14 March 2017.

Management Team

Tuesday 14 March 2017, 9.15am

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

Present:

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

Apologies:

None

In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk
David Hanlon, Corporate Finance Manager
James Gillies, Communications Manager

1. Minutes of meeting: 7 March 2017

The draft minutes dated 7 March 2017 were discussed and agreed as an accurate record of the meeting, subject to minor amendment.

Diane McGiffen provided a verbal update on the appointment of the Acting Chair for the Accounts Commission and Management Team welcomed the update.

2. Making a Difference

Martin Walker joined the meeting.

- Corporate Plan 2017/18

Martin Walker introduced the Corporate Plan 2017/18 report, which had been previously circulated.

Martin invited Management Team to consider the first draft of the Corporate Plan update for 2017/18 which aimed to capture a sense of commitment and continuity in year three of the 2015-10 plan. Martin welcomed any comments on the proposed update prior to its submission for the Board's consideration on 31 March 2017, review by the Accounts Commission in April 2017 before final sign off by the Board at its meeting in May 2017.

During detailed discussion, Management Team acknowledged that the proposed draft reflected well the known external operating challenges and agreed a number of changes to better capture 2017/18 audit priorities, the need to bring more balance to the range of new financial powers and agreed the quality agenda required to be expanded. Management Team also agreed that as well as setting out our commitment as part of BaBO to a review of 3D the draft should also capture the proposed refinement to our performance reporting.

Caroline Gardner agreed to provide some comments on the foreword and Fraser McKinlay undertook to revert to Martin with commentary for Making a Difference.

Action: Caroline Gardner to provide some comments on the foreword. (March 2017)

Action: Fraser McKinlay to provide some commentary for the Making a Difference workstream. (March 2017)

- Public Sector Audit Risk and Assurance Framework

Martin Walker introduced the report on Public Sector Audit Risk and Assurance Framework, a copy of which had been previously circulated.

Martin invited Management Team to note the risks identified as part of the six monthly review undertaken by the Assistant Directors in order to identify significant emerging or increasing audit risks to allow faster decision making and to provide assurance of the proposed responses for each.

During detailed discussion, Management Team agreed that the coverage of the recent review felt right in light of external factors relating to economy, skills and capacity within the public sector, constitutional change and the departure from the EU.

Following discussion, Management Team welcomed the report.

Martin Walker left the meeting.

3. 2017/18 Establishment review and operational budget

David Hanlon joined the meeting.

David Hanlon introduced the 2017/18 Establishment review and operational budget, which had been previously circulated.

David invited Management Team to note the results of the review of our workforce establishment for 2017/18 and projections over the following four years together with the proposals to establish an operational budget for 2017/18.

During detailed discussion, Management Team considered the proposed establishment changes for 2017/18 and agreed the basis of the recommendation for Board approval.

Management Team also considered the changes proposed to workforce projections for 2018/19 to 2021/22 and a proposal for 2022/23 and agreed these as a basis to prepare salary cost projections for the next review of our four year plan scheduled for the summer/autumn 2017.

Turning to the operational budget 2017/18, Management Team considered the projected underspend for 2016/17, the proposals to fund the implementation of the new pay award and welcomed an early review on work in progress which Fiona Kordiak agreed to take forward with David Hanlon.

Action: Fiona Kordiak and David Hanlon to review work in progress. (March 2017)

David Hanlon left the meeting.

4. Draft Annual Report and Accounts 2016/17

James Gillies joined the meeting.

James Gillies introduced the Draft Annual Report and Accounts 2016/17 report, which had been previously circulated.

James invited Management Team to note the plans for the 2016/17 Audit Scotland annual report and welcomed any comments on the proposals for this year's content.

Management Team agreed with the overall approach, retaining a single document to cover the performance, governance and financial statements while recognising the need for early input to the report to ensure FReM compliance. In addition, Management Team agreed the inclusion of Best Value and areas of best practice should feature in the annual report.

Following discussion, Management Team noted the report would be considered by the Board at its meeting on 31 March 2017.

Action: Russell Frith to confirm Audit Strategy input on FReM compliance. (March 2017)

Action: Fiona Kordiak to confirm Audit Services input on best practice. (March 2017)

James Gillies left the meeting.

5. Draft agenda: Management Team 21 March 2017

Management Team noted the proposed agenda for the meeting of Management Team on 21 March 2017 and Russell agreed to bring the timetable for the quality review to the meeting.

6. Draft agenda: Board 31 March 2017

Management Team noted the draft agenda for the meeting of the Board on 31 March 2017.

7. Any other business

There was no further business.

8. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 21 March 2017.

Management Team

Tuesday 21 March 2017, 9.15am

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

Present:

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

Apologies:

Fraser McKinlay

In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk
Tricia Meldrum, Senior Manager, Performance Audit and Best Value
Elaine Boyd, Assistant Director, Audit Strategy
Fiona Daley, Consultant, Audit Strategy
John Gilchrist, Manager Procurement, Audit Strategy
Jim Rundell, Senior Audit Manager, Audit Services Group
Shelagh Stewart, Audit Manager, Performance Audit and Best Value
Martin Walker, Assistant Director, Corporate Performance and Risk
Charlotte Anderson, Learning and Development Officer, Human Resources
Antony Clark, Assistant Director, Performance Audit and Best Value

1. Minutes of meeting: 14 March 2017

The draft minutes dated 14 March 2017 were discussed and agreed as an accurate record of the meeting.

2. Making a Difference

Martin Walker joined the meeting.

- **Proposed approach to improving Performance Management**

Martin Walker introduced the report on the Proposed approach to improving Performance Management, a copy of which had been previously circulated.

Martin invited Management Team to note developments toward improving performance management arrangements and consider the proposed options for achieving an effective and streamlined approach.

During detailed discussion, Management Team considered the revised suite of key performance questions and indicators, which were based around the objectives set out in Public Audit in Scotland, the Accounts Commission Strategy and the Corporate Plan. Management Team welcomed the comprehensive coverage of the key performance questions and indicators and agreed further commentary was required around parliamentary and public engagement and our people.

Turning to the proposed options for improving performance management, analysis and reporting, Management Team agreed that they were helpful in providing an overview of our existing systems. Management Team agreed that further analysis of the costs and benefits of each option together with the associated challenges and risks was required.

Martin agreed to undertake further analysis of core systems and add on products, the possibility of design and build options taking account of investment, resource and capacity and report back to Management Team.

Following discussion, Management Team welcomed

Action: Martin Walker to undertake further analysis of the options and schedule a further report to Management Team. (April 2017)

Martin Walker left the meeting.

- **Public Engagement with Young Scot**

Tricia Meldrum joined the meeting.

Tricia Meldrum introduced the Public Engagement with Young Scot report, which had been previously circulated.

Tricia shared a presentation with Management Team which provided a summary of the pilot project which was delivered in partnership with Young Scot.

During discussion, Management Team noted the key outcomes of the CheckSee project, acknowledging the benefits of working with different groups of people to understand what matters to them and how we can use that information in our work.

Management Team welcomed the presentation and discussed proposed plans to work with other groups as part of the wider public engagement programme being led by Lorraine Gillies.

Following discussion, Management Team expressed their thanks to the team involved and Young Scot and looked forward to hearing more about a programme of engagement to keep our awareness of the issues that matter to people.

Management Team noted the report and presentation would be considered by the Board at its meeting on 31 March 2017.

Tricia Meldrum left the meeting.

3. Securing World Class Audit: Review of Audit Quality Update

Elaine Boyd, Fiona Daley, John Gilchrist, Jim Rundell, Shelagh Stewart, Martin Walker, Charlotte Anderson and Antony Clark joined the meeting.

Russell Frith and Elaine Boyd introduced the report Review of Audit Quality Update, a copy of which had been previously circulated.

Elaine shared the Quality Summit presentation with Management Team before introducing a roundtable discussion on the review of our quality framework.

Jim, Antony, Shelagh, Charlotte and Elaine discussed recent developments in their respective areas and Fiona Daley summarised the work she had undertaken in comparing Audit Scotland's approach to audit quality to that of other audit agencies in the UK and overseas.

During discussion, areas for further work were agreed including the future governance of audit quality, arrangements for external review of the work of Audit Services Groups and the firms and development of quality monitoring for best value work.

Management Team welcomed the discussion and noted the proposed timetable.

Elaine Boyd, Fiona Daley, John Gilchrist, Jim Rundell, Shelagh Stewart, Martin Walker, Charlotte Anderson and Antony Clark left the meeting.

4. Draft Agenda: Management Team 28 March 2017

Management Team noted the proposed agenda for the meeting of Management Team on 28 March 2017.

5. Draft agenda: Accounts Commission 13 April 2017

Management Team noted the proposed agenda for the meeting of the Accounts Commission on 13 April 2017.

6. Draft agenda: Board 31 March 2017

Management Team noted the draft agenda for the meeting of the Board on 31 March 2017.

7. Any other business

There was no further business.

8. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 28 March 2017.

Management Team

Tuesday 11 April 2017, 9.15am

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

Present:

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

Apologies:

Caroline Gardner

In attendance:

Paul O'Brien, Senior Manager, Audit Strategy
Martin Walker, Assistant Director, Corporate Performance and Risk
Antony Clark, Assistant Director, Performance Audit & Best Value
Sarah Pollock, Audit Manager, Performance Audit & Best Value
Paul Reilly, Secretary to the Accounts Commission
Tracey Bray, Senior Business Partner (OD), HR

1. Minutes of meeting: 28 March 2017

The draft minutes dated 28 March 2017 were discussed and agreed as an accurate record of the meeting subject to minor amendment.

2. Securing World Class Audit: Future Strategy

Management Team commenced its first monthly discussion in respect of the future strategy of the organisation following on from the recent announcement by Russell Frith of his intention to retire at the end of December 2017.

Russell advised that he had already met with Fraser McKinlay and Fiona Kordiak separately to share his early thoughts and a discussion followed on the forthcoming Audit Strategy team meeting scheduled to take place on 25 April 2017. Management Team noted that David Blattman would facilitate discussions with the team in respect of future work.

Following discussion, it was agreed that Russell, Fraser and Fiona would meet to discuss the options for sector meetings going forward.

Action: Fiona Kordiak, Fraser McKinlay and Russell Frith to meet to discuss options for sector meetings (2 May identified)

3. Securing World Class Audit: Revised Guidance on Ethical Standards

Paul O'Brien joined the meeting.

Russell Frith introduced the Revised Guidance on Ethical Standards report which had been previously circulated.

Following discussion it was agreed that a more systematic approach was needed to incoming and outgoing secondments and that a more formal process would be developed for senior level secondments in particular. Paul O'Brien would bring this to a future meeting of Management Team.

A discussion followed in respect of the long audit associations requirements, with agreement that PABV would mirror ASG rotation policies to support one organisation working.

Management Team agreed to email Paul with minor amendments to the application guidance.

Action: Management Team to email Paul with amendments to the application guidance.

Paul O'Brien left the meeting.

4. Making a Difference: International Work at Audit Scotland

Antony Clark and Sarah Pollock joined the meeting.

Antony Clark introduced the International Work at Audit Scotland report, which had been circulated previously.

Management Team welcomed the ambitious agenda for developing our new approach to international work and supporting our vision of becoming a world class audit organisation.

Management Team noted that over the past few months the new team had focussed on developing an international calendar of events, developing a new ishare site for all our international work, making greater use of technology and social media to build our network of international contacts and promote our work.

Management Team approved the refreshed International Strategy which would be considered alongside the International Work Annual Report by the Board at a future meeting.

Antony Clark and Sarah Pollock left the meeting.

5. Accounts Commission Strategy Seminar March 2017

Paul Reilly joined the meeting.

Management Team invited Paul Reilly to provide feedback from the recent Strategy Seminar held on 28 and 29 March 2017.

Paul informed Management Team that the both sessions had been very positive and that a brief paper highlighting the high level messages would be considered by the Accounts Commission on 13 April 2017.

Paul Reilly left the meeting.

6. Making a Difference: Value for Money and Efficiency Review Programme

Martin Walker joined the meeting.

Martin Walker invited Management Team to note the proposed options for areas which could be the subject of VFM / efficiency reviews in 2017/18.

Management Team agreed that reviews of how we spend our time across the organisation (audit and non-audit work) and travel and subsistence should be prioritised. Capacity to complete the reviews was discussed and it was agreed that external help would be sought to assist with the forthcoming reviews.

Martin and Fraser agreed to meet offline to consider the high level scoping and report back to Management Team at a future date

Action: Fraser McKinlay, Martin Walker to meet to discuss high level scoping

7. Internal Audit

- Follow up review 2016/17

Martin Walker introduced the Follow up review internal audit report, a copy of which had been circulated.

Management Team agreed to note the contents of the report.

Tracey Bray joined the meeting.

- Staff performance management and succession planning

Tracey Bray introduced the Staff Performance Management internal audit report and invited comments from Management Team.

Management Team welcomed the substantial assurance in this important area. A discussion on how we identify poor performance followed and Tracey agreed to gather qualitative feedback in advance of the forthcoming Board meeting.

Subject to minor amendment Management Team agreed to note the contents of the Staff Performance Management report.

Tracey Bray left the meeting.

8. Information Security Management Policy Review 2017

Martin Walker introduced the report Information security management policy review 2017 which had been circulated previously.

Subject to minor amendment, Management Team approved the revised policy and agreed to its submission to the Board for approval on 5 May 2017.

Martin Walker left the meeting.

9. Draft Agenda: Accounts Commission Committee meetings 27 April 2017

Management Team considered the draft agenda for the Accounts Commission Committee meetings scheduled for 27 April 2017. Fraser McKinlay agreed to liaise with Paul Reilly in this respect.

10. Draft Agenda: Management Team 18 April 2017

Management Team noted the proposed agenda for the meeting of Management Team on 18 April 2017.

11. Any other business

There was no further business.

12. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 18 April 2017.

Management Team

Tuesday 18 April 2017, 9.15am

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

Present:

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

Apologies:

Russell Frith

In attendance:

Neil Cartlidge, Correspondence Manager
Dorothy Lavery, Correspondence Auditor
Angela Canning, Assistant Director, Performance Audit & Best Value
Alex Devlin, Corporate Governance Manager
Martin Walker, Assistant Director, Corporate Performance and Risk

1. Minutes of meeting: 11 April 2017

The draft minutes dated 11 April 2017 were discussed and agreed as an accurate record of the meeting.

2. Corporate Plan Update

Martin Walker joined the meeting.

Martin Walker introduced the second draft of the Corporate Plan update for 2017/18, which had been circulated previously.

Management Team welcomed sight of the revised draft and Fiona Kordiak agreed to liaise with Martin outwith the meeting to feed back minor amendments.

Management Team approved submission of the Corporate Plan to the Board on 5 May for approval with publication scheduled for 26 May 2017.

Action: Fiona Kordiak to feed back minor revisions to Martin Walker.

Martin Walker left the meeting.

3. Making a Difference: Correspondence Reporting

Angela Canning, Neil Cartlidge and Dorothy Lavery joined the meeting.

- **Q4 Performance Report 2016/17**

Angela Canning introduced the Q4 Performance Report 2016/17, which had been circulated previously.

Management Team noted the improvement in the quality of responses, and reflected on the improved performance against target response times over the last three years which demonstrated better service delivery and greater engagement both internally and externally.

Following discussion Management Team recommended that going forward, the quarterly Correspondence Performance Report should not be considered as a stand alone item and would instead be incorporated into the appropriate suite of reports for Management Team consideration.

Action: Neil Cartlidge and Dorothy Lavery to liaise with Martin Walker and Alex Devlin to incorporate reporting.

- **Annual Report 2016/17**

Management Team welcomed sight of the Correspondence Annual Report 2016/17, which had been circulated previously.

Following discussion, Management Team approved the contents of the 2016/17 Annual Report on Correspondence, prior to its submission to the Audit Committee meeting scheduled to take place on 17 May 2017.

Angela Canning, Neil Cartlidge and Dorothy Lavery left the meeting.

4. 2016/17 Annual Reporting

Martin Walker and Alex Devlin joined the meeting.

- **Whistleblowing and Bribery and Fraud**

Alex Devlin introduced the Whistleblowing and Bribery and Fraud 2016/17 report, which had been circulated previously.

Management Team noted the contents of the report and approved its submission to the Audit Committee meeting scheduled to take place on 17 May 2017.

- **Freedom of Information and Environmental Information**

Alex Devlin introduced the Freedom of Information and Environmental Information 2016/17 report, which had been circulated previously.

Management Team noted that two additional Freedom of Information requests had been received and the figures would be incorporated into the report.

Subject to amendment, Management Team noted the contents of the report and approved its submission to the Board for the meeting scheduled to take place on 5 May 2017.

- **Complaints Handling**

Alex Devlin introduced the Complaints report 2016/17, which had been circulated previously.

Management Team noted the contents of the report and approved its submission to the Board meeting scheduled to take place on 5 May 2017.

- **Hospitality and Gifts**

Alex Devlin introduced the Hospitality and Gifts 2016/17 report, which had been circulated previously.

A discussion followed in respect of the capacity in which gifts / hospitality are offered. It was agreed that clarity of expectation was required and it was suggested that individuals contact the Corporate Governance team for guidance when an invitation is received, prior to accepting it.

Management Team noted the contents of the report and approved its submission to the Audit Committee meeting scheduled to take place on 17 May 2017.

Action: Diane McGiffen to liaise with Heather Logan and Ian Leitch in respect of hospitality and gifts.

Alex Devlin left the meeting.

5. Risk Management Framework – 2017 review

Martin Walker introduced the Risk Management Framework report, a copy of which had been previously circulated and invited Management Team to review the proposed changes.

Management Team welcomed this early review and noted the proposed minor amendments.

Martin Walker left the meeting.

6. Draft agenda: Management Team 25 April 2017

Management Team noted the proposed agenda for the meeting of Management Team on 25 April, subject to additional items being incorporated.

7. Any other business

There was no further business.

8. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 25 April 2017.

Management Team

Tuesday 25 April 2017, 9.15am

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

Present:

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

Apologies:

None

In attendance:

David Blattman, HR & OD Manager
David Hanlon, Corporate Finance Manager
Martin Walker, Assistant Director, Corporate Performance and Risk
Alex Devlin, Corporate Governance Manager

1. Minutes of meeting: 18 April 2017

The draft minutes dated 18 April 2017 were discussed and agreed as an accurate record of the meeting, subject to minor amendment.

2. World Class Vision Update

Russell Frith introduced the report World Class Vision Update, a copy of which had been circulated previously.

Russell invited Management Team to discuss the draft Board paper which reported the progress we have made to date on the key components of our Becoming World Class ambition.

Management Team welcomed the report which provided a helpful summary of progress achieved to date particularly in relation to independence, governance and reporting, with more focus required in relation to impact. Management Team reflected that while there is no accepted definition of world class we continue to develop our aspirations.

During detailed discussion, Management Team agreed a number of actions, that a refresh of the Becoming World Class strategy be undertaken to ensure we capture our expectations around continuous improvement.

Following discussion, Management Team noted that this report linked with Quality and would therefore be scheduled to go to the Board after the Audit Committee discussed the Audit Quality at its meeting on 17 May 2017.

Management Team noted that the Review of Audit Quality was scheduled to be discussed at next week's meeting which would include detail around the framework, timescales and next steps. In the meantime, Management Team agreed to feed back any further comments.

Action: Russell Frith to schedule a report to the Board after the meeting of the Audit Committee on 17 May 2017. (May 2017)

3. Leading a better organisation

David Blattman joined the meeting.

Fraser McKinlay provided a verbal update on the work underway, advising of the proposed agenda for the forthcoming Leadership Group meeting on 10 May 2017, the key deliverable on the pay and reward strategy and the longer term plans for developing leadership of the organisation.

Management Team welcomed the update and agreed to share any comments on the proposed agenda and pre-reading which Fraser would issue early next week.

David Blattman left the meeting.

4. Building a Better Organisation: Glasgow Office Refresh Tender

David Hanlon joined the meeting.

David Hanlon provided a summary of the information document which had been prepared and circulated to Management Team in advance of the meeting.

David invited Management Team to consider the tenders received for the refresh of the Glasgow office and agree in principle the options to award a contract for the work.

Management Team welcomed the information and during detailed discussion sought assurance around the budget and impact on proposed IT developments, noted landlords consent was still required, considered the options for the works and when the office would be closed and our communication with colleagues.

Following discussion, Management Team agreed they were content to make a formal offer.

In addition, David Hanlon provided a verbal update on the work on the annual accounts for 2016/17, reporting an underspend of approximately £440k but taking account of potential pension liabilities and the unfunded in-house pension provision this would reduce the underspend to approximately £73k.

Management Team welcomed the update, noting the results of the pension revaluation exercise was due by Christmas 2017 and acknowledging the potential impact this may have on the 2017/18 budget and future years.

Action: David Hanlon to prepared and circulate the detailed report on the Glasgow Office Refresh for Management Team. (May 2017)

David Hanlon left the meeting.

5. Making a Difference: Publication Schedule and Forward Programme

Fraser McKinlay introduced the Publication Schedule and Forward Programme report, which had been previously circulated.

Fraser invited Management Team to note the draft Board report on the publication schedule and forward programme and welcomed any comments.

Management Team discussed the report and approved it for submission by the Board at its meeting on 5 May 2017 subject to clarification that there was no impact to the schedule as a result of the general election.

6. Risk Interrogation: Failure of Reputation

Martin Walker joined the meeting.

Martin Walker introduced the report Risk Interrogation: Failure of Reputation, a copy of which had been previously circulated.

Martin invited Management Team to note this report provided an update a year on from last year's review and welcomed Management Team's comments prior to the Audit Committee's consideration at its meeting on 17 May 2017.

During discussion, Management Team recognised the risk is one which is hard to fully mitigate against and agreed it would be useful to capture the expectations of different audiences in order to clarify the range of roles we play, including the coordination of scrutiny for the Auditor General and Accounts Commission, engagement with MSPs and reporting to Parliament and its Committees and our work with the audit firms.

Following discussion, Management Team welcomed the report and subject to capturing more around the expectations agreed it be submitted to the Audit Committee.

7. Review of Risk Register

Martin Walker introduced the Review of Risk Register report, which had been previously circulated.

Martin invited Management Team to review and comment on the updated risk register, particularly in relation to the reduced net risk score of risk eight to target.

During detailed discussion, Management Team considered the risk register and agreed that in light of the continuing programme for value for money, the net risk score for risk eight should be remain unchanged and additional commentary included on to capture the milestone of the BaBO pay and reward in April 2017.

Following discussion, Management Team welcomed the report.

8. File and Records Management

Alex Devlin joined the meeting.

Martin Walker introduced the report on File and Records Management, a copy of which had been previously circulated.

Martin invited Management Team to note the update following the file and records management recovery exercise and welcomed consideration of the implications for the risk register, annual assurance statements and data loss reporting.

During detailed discussion, Management Team considered whether there was a requirement to modify the retention period of files for example to take account of Freedom of Information requests, the Scottish Information Commissioner and Information Commissioner Office requirements and the frequency of system back ups.

Following discussion, Management Team reflected on the overall successful recovery of files which was significantly lower than the initial review, recognised the steps taken to minimise further loss, the refresh of library owners and agreed there was a need to promote the lessons learnt from the incident in order to build on awareness.

Management Team noted an update would be shared with the Audit Committee as part of the Data Incident/Loss report.

9. Data Incident/Loss

Alex Devin introduced the report on Data Incident/Loss, which had been previously circulated.

Alex invited Management Team to note the one data incident which would be reported to the Audit Committee at its meeting in May.

Management Team considered the incident which related to confidential papers being saved to an internal non restricted library and agreed lessons learned should be shared with colleagues and identify where any additional training may be required.

Following discussion, Management Team approved the report for submission to the Audit Committee.

10. 2016/17 Annual Report: Information Governance and Security

Alex Devlin introduced the 2016/17 Annual Report on Information Governance and Security, which had been previously circulated.

Alex invited Management team to consider and approve the submission of the report for the Audit Committee for its meeting on 17 May 2017.

Management Team welcomed the report and approved its submission to the Audit Committee.

11. Internal Audit Annual Report 2016/17

Alex Devlin introduced BDO's Internal Audit Annual Report 2016/17, a copy of which had been previously circulated.

Alex invited Management Team to note the reasonable assurance provided overall and welcomed any comments.

Management Team noted the substantial assurance received for seven of the eight internal audits during the year and Alex advised the internal audit framework provided only for reasonable assurance or no assurance as part of reporting annual progress.

Management Team agreed the report should be amended to reflect this.

Martin Walker and Alex Devlin left the meeting.

12. Draft agenda: Management Team 2 May 2017

Russell Frith advised Management Team that the refreshed guidance on secondments would be coming to a later meeting. Management Team noted the amended agenda for the meeting of Management Team on 2 May 2017.

13. Draft agenda: Accounts Commission 11 May 2017

Management Team noted the agenda for the forthcoming meeting of the Accounts Commission.

14. Any other business

Russell Frith invited Management Team to reflect on the recent Audit Firms meeting on 27 March and discuss whether Audit Scotland host and chair each of the meetings scheduled in 2017. Management Team agreed we would host and chair but would invite the firms to contribute to future meetings.

15. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 2 May 2017.

Management Team

Tuesday 2 May 2017, 9.15am

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

Present:

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

Apologies:

None

In attendance:

David Hanlon, Corporate Finance Manager
James Gillies, Communications Manager
Elaine Boyd, Assistant Director, Audit Strategy

1. Minutes of meeting: 25 April 2017

The draft minutes dated 25 April 2017 were discussed and agreed as an accurate record of the meeting.

2. Draft 2016/17 Financial Results

David Hanlon joined the meeting.

David Hanlon introduced the Draft 2016/17 Financial Results report, which had been circulated previously.

David invited Management Team to note the underspend for the year stood at £73k after allowing for the pension provision as previously advised and lower than anticipated work in progress levels. David advised Management Team that our external auditors, Alexander Sloan, were scheduled to look at our accounts from Monday 8 May, following which Russell Frith would review the statutory accounts prior to issue to the Audit Committee alongside the annual report and accounts.

During detailed discussion, Management Team noted the reduction in pension discount in respect of the unfunded element and considered the implications of a larger provision, in light of an increased pay bill and the possibility of a further reduction in any discount applied.

Management Team also considered the adjustment to work in progress levels, reflecting new audit appointments settling in and the need for further consideration of recording work under the new approach to Best Value audit. Management Team agreed it would be helpful to build better understanding for colleagues on the different elements of fee and Russell advised that would be captured as part of the sectoral reporting in the report to the Board at year end.

Management Team also reflected on the reduced vacancy factor reported, the restructure of Business Support Services, the provision for supporting the new financial powers work and

agreed there was a need to finalise the resource requirements for this as well as develop the thinking around support for social security.

Action: Russell Frith to schedule a report to Management Team and the Board on the sector point at the year end after the meeting of the Audit Committee on 17 May 2017. (May 2017)

David Hanlon left the meeting.

3. Communications Digest

James Gillies and Elaine Boyd joined the meeting.

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

James invited Management Team to note the key highlights and issues. Management Team welcomed the report and reflected that the extended election period didn't impact on planned publications. Management Team noted Jackie Baillie's appointment as the new convenor of the Public Audit and Post Legislative Scrutiny committee, discussed the attention that the structural defects in Scottish Schools had received and agreed a briefing on the GERS debate would be useful as an internal briefing for colleagues.

4. Hotlist of Emerging Audit Risks

Elaine Boyd introduced the Hotlist of Emerging Audit Risks, which had been previously circulated. Elaine invited Management Team to note the two emerging risks and welcomed any comments.

Management Team welcomed the report and discussed the new key issues identified. Following discussion, Management Team provided updates on items to be moved to the watchlist

James Gillies and Elaine Boyd left the meeting.

5. Draft agenda: Management Team 16 May 2017

Management Team considered the draft agenda.

6. Securing World Class Audit: Review of Audit Quality Arrangements

Elaine Boyd re-joined the meeting.

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

Elaine invited Management Team to note progress made to date in bringing together the draft Quality Framework with the comparison of audit quality with international audit agencies and the governance arrangements. Elaine also invited Management Team to comment on the report, the governance of audit quality, securing external assurance of audit work and the scope of external quality monitoring and reporting.

During detailed discussion, Management Team reflected on the helpful report which provided a detailed explanation of all of the elements for consideration. Management Team considered how the review of audit quality resonates with our becoming world class improvement programme, recognising that the approach to quality should clearly support the world class vision and that reporting on quality should be supported by robust data and evidence. Management Team also reflected on quality monitoring and recognising the wider scope of audit agreed we should be bold in setting out what the arrangements will be.

In terms of the Quality Framework, Management Team agreed with the proposal to have one corporate quality framework for Audit Scotland and this would be reviewed after a year, and possibly annually thereafter.

With regard to the Corporate Quality Group, Management Team discussed the remit of the group and agreed this should be enhanced with consideration given to additional resources and reporting lines. Elaine and Russell agreed to return with proposals.

Turning to the report prepared by Fiona Daley on international comparisons, Management Team took assurance from the review and on the question of external assurance discussed the options available and likely scope of a tender.

Following discussion, Management Team welcomed the report and discussion which would be updated before issuing to the Audit Committee for its considered on 17 May 2017. In addition, Elaine advised Management Team that the Corporate Quality Group were meeting on Monday 15 May to develop KPIs and measures and of the intention to host knowledge cafes to keep colleagues informed of progress.

Action: Elaine Boyd and Russell Frith to update the report for issue to the Audit Committee. (May 2017)

Action: Elaine Boyd and Russell Frith to bring proposals around the remit, reporting lines and resources for the Corporate Quality Group. (TBC 2017)

Elaine Boyd left the meeting.

7. Any other business

Management Team discussed the outline agenda for the Leadership Group meeting on 10 May 2017.

Fiona Kordiak invited Management Team to note work would be commencing shortly for the next Annual Audit Conference and a short paper would follow with options for the format and content for discussion.

Diane McGiffen provided an overview of the items for discussion at the Board meeting on Friday 5 May 2017.

8. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 16 May 2017.

Management Team

Tuesday 16 May 2017, 9.15am

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

Present:

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

Apologies:

None

In attendance:

David Blattman, HR & OD Manager
Paul O'Brien, Senior Manager, Audit Strategy
John Gilchrist, Manager, Audit Strategy
Elaine Boyd, Assistant Director, Audit Strategy
Antony Clark Assistant Director, PABV
Sarah Pollock, International Liaison Manager
Martin Walker, Assistant Director, Corporate Performance and Best Value
Alex Devlin, Corporate Governance Manager

1. Minutes of meeting: 2 May 2017

The draft minutes dated 2 May 2017 were discussed and subject to amendment were agreed as an accurate record of the meeting.

2. Securing World Class Audit: Future Strategy

Russell Frith introduced the Securing World Class Audit – Future Strategy update report, which had been circulated previously.

Following discussion, Management Team approved the proposal that Fiona Kordiak assumes the role of ethics partner for the organisation with continued support from the Audit Strategy team. The transfer date would be 1 October in order to coincide with the start of the next audit year and to allow Fiona to oversee the next Fit and Proper exercise.

Management Team further noted that Fraser McKinlay would take the overall lead on local government sector meetings with Stephen Boyle taking responsibility for the remaining sectors. Management Team discussed how this will be communicated.

A discussion followed on Russell's membership of external technical and standard setting groups. Management Team noted that Fiona Kordiak would assume membership of FRAB following Russell's departure.

A discussion followed on Disclosure Scotland and it was agreed that Gillian Woolman would be invited to present a report to Management Team in this respect.

Action: Fraser McKinlay to liaise with Joanna Mansell and Stephen Boyle to confirm plans to communicate sector meetings governance announcements to staff.

Action: Fiona Kordiak to liaise with Gillian Woolman in respect of Disclosure Scotland.

David Blattman joined the meeting.

David Blattman invited comments from Management Team in advance of the Audit Strategy team workshop scheduled for 7 June 2017 and a discussion followed in this respect.

Action: Caroline Gardner to provide a digital contribution to the Audit Strategy workshop on 7 June 2017.

Action: David Hanlon to be invited to attend the workshop.

3. Securing World Class Audit: Revised Guidance on Secondments

Paul O'Brien joined the meeting.

Paul O'Brien introduced the Securing World Class Audit Revised guidance on secondments report, which had been previously circulated.

Paul invited Management Team to note the key highlights and issues in the report. Management Team welcomed the report and a detailed discussion followed on the potential risks surrounding secondments to public bodies. Management Team agreed that the staff handbook should include a requirement that all outward secondments be discussed with and agreed by the Ethics partner before the opportunity is advertised to staff.

A discussion followed on inward secondments and Management Team agreed that clarity was needed in this respect.

Action: David Blattman to update the staff handbook with revised procedure for incoming and outgoing secondments.

David Blattman and Paul O'Brien left the meeting.

4. 2016/17 Annual Report: International Work

Antony Clark and Sarah Pollock joined the meeting.

Antony Clark introduced the International Work Annual report, which had been previously circulated.

Management Team noted the contents of the report and welcomed its revised format. Management Team approved the report for submission to the Board.

Antony Clark and Sarah Pollock left the meeting.

5. 2016/17 Annual Report: Audit Quality

John Gilchrist and Elaine Boyd joined the meeting.

Russell Frith introduced the Audit Quality 2016/17 annual report, which had been previously circulated.

Russell invited Management Team to comment on the report and a discussion followed in this respect.

Management Team welcomed the change of name of the report and subject to amendment approved the Audit Quality Report 2016/17 for submission to the Audit Committee prior to consideration by the Board.

6. Q4 Corporate Performance Report

Martin Walker joined the meeting.

Martin Walker introduced the Q4 Performance report 2016/17, a copy of which had been previously circulated.

Management Team welcomed the report and suggested minor refinements to the wording within the document in respect of late / rescheduled outputs.

Following discussion Management Team noted the contents of the report.

7. Q4 Becoming World Class Improvement Programme

Martin Walker introduced the Q4 Becoming World Class Improvement Programme update report 2016/17, which had been previously circulated.

Martin invited Management Team to comment and a discussion followed in this respect.

Fiona Kordiak agreed to provide Martin with alternative wording and subject to minor amendment, Management Team noted both the progress made to date and next steps.

Action: Fiona Kordiak to provide Martin Walker with alternative wording.

8. Governance Statement and Certificate of Assurance 2016/17

Alex Devlin joined the meeting.

Alex Devlin introduced the Public Services Reform (Scotland) Act – Draft Statements on Exercise of Public Functions, which had previously been circulated.

Following discussion Management Team approved publication of the statements.

9. Governance Statement and Certificate of Assurance 2016/17

Alex Devlin introduced the Governance Statement and Certificate of Assurance 2016/17 report, which had been previously circulated.

Alex invited Management Team to consider the certificates of assurance to determine whether they raise any issues which should be drawn to the attention of the Audit Committee or the Audit Scotland Board at their meetings on 6 June 2017 with the Annual Accounts and governance statements.

Following discussion Management Team agreed that the inconsistency issue regarding the management of documents and records in ishare should be recorded on the certificate of assurance and wording added to the Annual Accounts and governance statements.

Action: Alex Devlin to include reference to the management of documents and records on ishare on the certificate of assurance and to the Annual Accounts and governance statements.

Alex Devlin and Martin Walker left the meeting.

10. Draft agenda: Management Team 23 May 2017

Management Team agreed to note the contents of the draft agenda for the meeting of 23 May 2017.

11. Any other business

Fraser McKinlay agreed to draft the note of the Openness and Transparency meeting held on 8 May 2017.

Action: Fraser McKinlay to draft the note of the recent meeting of the Openness and Transparency meeting held on 8 May 2017.

12. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 23 May 2017.

Management Team

Tuesday 23 May 2017, 9.15am

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

Present:

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

Apologies:

Caroline Gardner
Russell Frith

In attendance:

Mark Taylor, Assistant Director, Audit Services Group
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
David Blattman, HR & OD Manager
Charlotte Anderson, Learning and Development Officer
Martin Walker Assistant Director, Corporate Performance and Risk
Alex Devlin, Corporate Governance Manager

1. Minutes of meeting: 16 May 2017

The draft minutes dated 16 May 2017 were discussed and subject to minor amendment agreed these were an accurate record of the meeting.

2. New Financial Powers and Constitutional Change Update

Mark Taylor and Rebecca Seidel joined the meeting.

Mark Taylor introduced the New Financial Powers and Constitutional Change Update report, which had been circulated previously.

Mark invited Management Team to note the developments being reported around new financial powers and constitutional work programme, including responding to consultations which have led to the review and development of our approach on when and how we should respond, reviewing and commenting on the audit framework and assessing future resources in light of the uncertainty around the timing, nature and extent of future social security audit work.

Management Team noted the draft response on the draft audit and accountability framework and Mark agreed to circulate a copy of this for information. Management Team noted the response was due by the end of May and agreed it would be beneficial to be aware of any issues which the NAO may have. Mark advised he would circulate a copy of our draft response with Management Team.

There followed a discussion around the process after consultation responses have been considered and Mark advised Management Team that the arrangements would be agreed between the UK and Scottish governments in June before being approved by the Joint Executive Committee.

Following discussion, Management Team welcomed the report and agreed that the draft response could be shared with PAPLS Committee in due course.

Action: Mark Taylor to circulate the draft audit and accountability framework to Management Team for information. (May 2017)

Mark Taylor to circulate a copy of the draft response to Management Team for information. (May 2017)

Mark Taylor and Rebecca Seidel left the meeting.

3. 2016/17 Annual report: Health, safety and wellbeing

David Blattman and Charlotte Anderson joined the meeting.

Charlotte Anderson introduced the 2016/17 Annual Report: Health, safety and wellbeing, a copy of which had been previously circulated.

Charlotte invited Management Team to note the overall positive report, showing reducing absence levels in Audit Scotland which compared favourably to the trend in the public sector.

Management Team welcomed the report and the good progress made over the year, recognising the benefits of flexible working for colleagues through Time, Place, Travel, streamlining office locations to better support the business. Management Team considered the inspections of audit offices following the new audit appointment round and were assured these were all in hand.

Following discussion, Management Team agreed the inspections of audit offices should be captured before it was submitted for consideration by the Audit Committee .

David Blattman and Charlotte Anderson left the meeting.

4. Performance review 2016/17 and Trend Analysis

Martin Walker and Alex Devlin joined the meeting.

Martin Walker introduced the Performance review 2016/17 and Trend Analysis report, which had been previously circulated.

Martin invited Management Team to note the report which provided a summary of performance over the past year together with performance trends over a longer time period.

During detailed discussion, Management Team agreed that while the report was useful in relation to the overall performance and trend analysis it required more refining to align with the suite of annual reporting.

Following discussion, Management Team agreed that Martin would share the report with the respective business groups in order to reflect on and build into the review of the new corporate strategy.

Management Team welcomed the report and agreed Martin would capture the key highlights of performance during the year in the Q4 report to be considered by the Board at its meeting in June 2017.

Action: Martin Walker to circulate the report to business groups in advance of the refresh of the new corporate plan. (May 2017)

Martin Walker to update the Board Q4 performance report to capture the key highlights during 2016/17. (May 2017)

5. Internal audit report: Business continuity planning

Alex Devlin introduced the Internal Audit Report, Business Continuity Planning, a copy of which had been previously circulated.

Alex invited Management Team to note the substantial assurance provided by the report and welcomed any comments.

During discussion, Management Team considered the success of the recent Business Continuity Awareness Week campaign agreeing it was important that colleagues updated their respective mysite information with photographic id and correct contact details particularly in light of incident which could arise at any point in time.

Following discussion, Management Team welcomed the substantial assurance reported and thanked Alex for his work on BCAW.

6. Internal audit recommendations progress report

Alex Devlin introduced the Internal Audit Recommendations Progress report, which had been previously circulated.

Alex invited Management Team to the progress report on the implementation of internal audit recommendations and welcomed any comments.

During discussion, Fraser confirmed that the Value for Money programme should be updated to reflect this was completed as work well underway. In relation to Business Performance Management, Management Team agreed that while this is ongoing the commentary should set out the proposed next steps and Fiona advised that in relation to the timeline for the Career Development Gateways she would liaise with Tracey Bray to provide a more detailed timeline.

Following discussion, Management Team welcomed the report.

Action: Fiona Kordiak to liaise with Tracey Bray to confirm detail around the known timeline. (May 2017)

7. Whistleblowing and counter fraud policies review

Alex Devlin introduced the Whistleblowing and counter fraud policies review report, which had previously been circulated.

Alex invited Management Team to approve the submission of the policies which had been reviewed and reformatted to the Audit Committee and Board for their consideration on 6 June 2017.

Management Team noted the updated policies, together with Audit Scotland's Fraud Response Plan and approved these for submission to the Audit Committee and Board.

Martin Walker and Alex Devlin left the meeting.

8. Draft agenda: Audit Scotland Audit Committee agenda 6 June 2017

Management Team noted the proposed agenda for the Audit Committee meeting scheduled on 6 June 2017 and noted the risk register would include an update following the recent malware attack.

9. Draft agenda: Audit Scotland Board 6 June 2017

Management Team noted the proposed agenda for the meeting of the Board scheduled on 6 June 2017.

10. Draft agenda: Accounts Commission 8 June 2017

Management Team noted the draft agenda for the meeting of the Accounts Commission on 8 June 2017.

11. Draft agenda: Management Team 30 May 2017

Management Team noted the proposed draft agenda for the meeting of 30 May 2017, which included the 2016/17 Annual report and accounts. Management Team noted the meeting with the SCPA to discuss these had been confirmed for 21 June 2017.

12. Any other business

Diane McGiffen advised of an informal coffee meeting with the Audit Strategy team and a meeting with Elaine to provide feedback on the Quality report following the Audit Committee meeting on 17 May 2017.

13. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 30 May 2017.

Management Team

Tuesday 30 May 2017, 9.15am

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

Present:

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

Apologies:

None

In attendance:

David Hanlon, Corporate Finance Manager
James Gillies, Communications Manager
Mark Taylor, Assistant Director, Audit Services Group
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
Gillian Woolman, Assistant Director, Audit Services Group
Martin Walker Assistant Director, Corporate Performance and Risk

1. Minutes of meeting: 23 May 2017

The draft minutes dated 23 May 2017 were discussed and agreed as an accurate record of the meeting.

2. 2016/17 Annual Report and Accounts

David Hanlon, Corporate Finance Manager, and James Gillies, Communications Manager, joined the meeting.

David Hanlon introduced the report on the 2016/17 Annual report and accounts, a copy of which had been circulated previously.

David invited Management Team to consider and agree the report for submission, together with the annual report and accounts for the year, to the Audit Committee on 6 June 2017.

During discussion, Management Team noted that the clearance meeting with our external auditors had gone well with no matters of concern arising. David advised there was an amendment to be made to Alexander Sloan's representation letter, a copy of which would be considered with the Audit Committee and the Board, prior to the signing meeting scheduled with Caroline Gardner on 13 June 2017.

Management Team agreed that the report going to the Audit Committee provided a helpful summary of the year and it was agreed that David would update the report to set out more clearly the key highlights.

Turning to the Annual Report and Accounts, Management Team welcomed the comprehensive nature of the report, which was FREM compliant and had been reorganised and expanded. Management Team also welcomed the addition of more visuals to bring the report to life.

Following discussion, Management Team recognised the work of the teams on the draft annual report and accounts and approved it for submission to the Audit Committee subject to a few drafting amendments.

Action: David Hanlon and James Gillies to update and submit the report to the Audit Committee. (May 2017)

David Hanlon and James Gillies left the meeting.

3. New Financial Powers Consultation: Accountability and Audit Framework for Scottish Devolution

Mark Taylor, Assistant Director, Audit Services Group and Rebecca Seidel, Audit Manager, Performance Audit and Best Value, joined the meeting.

Mark Taylor introduced the Accountability and Audit Framework for Scottish Devolution report, which had been circulated previously.

Mark invited Management Team to consider the initial draft of the response to the Scottish Government on the framework and a copy of a letter from Scottish Government to PAPLSC dated 12 May 2017, and invited any comments on the draft response. Mark also advised Management Team of a letter received from the NAO on Friday 26 May 2017.

During detailed discussion, Management Team noted the Scottish Government had requested a meeting to discuss the framework and agreed Russell Frith would attend. Caroline Gardner advised she would advise the convenors.

Following discussion, Management Team agreed they were comfortable with the direction and style of the proposed response although requested the inclusion of reference to preferred funding arrangements.

Management Team welcomed the update and agreed the Steering Group would take this forward.

Mark Taylor and Rebecca Seidel left the meeting.

4. 2018 Annual Audit Conference

Gillian Woolman, Assistant Director, Audit Services Group, joined the meeting.

Gillian Woolman introduced the 2018 Annual Audit Conference report, which had been previously circulated.

Gillian invited Management Team to consider the options for next year's conference taking into account its purpose, scope of attendees, location and cost-effectiveness and agree a preferred option.

Following discussion, Management Team agreed with the proposal for the event in January 2018 to be an Audit Scotland conference and Gillian agreed to take this forward with a small working group of colleagues from across the organisation to develop themes and support the event.

Action: Gillian Woolman to take forward the planning of the conference with a small working group of colleagues. (May 2017)

Gillian Woolman left the meeting.

5. Review of Risk Register

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

Martin Walker introduced the Review of Risk Register report, which had been previously circulated.

Martin invited Management Team to note and approve the report for submission to the Audit Committee for its consideration on 6 June 2017.

During discussion, Management Team reviewed the summarised risk register report and noted the additional information relating to the recent global ransomware incident and assurance around cyber security risks are managed.

Following discussion, Management Team approved the report for submission to the Audit Committee subject to minor drafting comments.

Action: Martin Walker to update and submit the report to the Audit Committee. (May 2017)

6. Data loss/incident

Martin Walker introduced the Data Loss/Incident report, a copy of which had been previously circulated.

Martin invited Management Team to note and approve the report for submission to the Audit Committee on 6 June 2017.

Management Team noted details of the incidents were logged and following discussion approved the report to the Audit Committee.

Action: Alex Devlin to submit the report to the Audit Committee. (May 2017)

7. Draft agenda: Accounts Commission Committee Meetings 15 June 2017

Management Team noted the draft agenda for the meeting of the Accounts Commission Performance Audit Committee on 15 June 2017. Management Team also noted that the Financial Audit Assurance Committee meeting had been cancelled.

8. Draft agenda: Management Team 13 June 2017

Management Team noted the proposed draft agenda for the meeting of 13 June 2017.

9. Any other business

There was no further business.

10. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 13 June 2017.

Management Team

Tuesday 13 June 2017, 9.15am

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

Present:

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

Apologies:

Russell Frith

In attendance:

David Hanlon, Corporate Finance Manager, Corporate Services
Stephen Boyle, Assistant Director, Audit Services Group
Alex Devlin, Corporate Governance Manager
David Blattman, HR & OD Manager, Corporate Services

1. Minutes of meeting: 30 May 2017

The draft minutes dated 30 May 2017 were discussed and subject to minor amendment agreed these were an accurate record of the meeting.

In light of Russell Frith's apologies received for today's meeting, Management Team agreed to postpone item 3, Future Strategy Update, to next week's meeting.

2. Building a better organisation: Developing leaders for the future

Fraser McKinlay provided a verbal update on the project, advising of activities underway in advance of the Leadership Group meeting next Wednesday 21 June and following that meeting, committed to bringing a report to Management Team on Tuesday 27 June 2017.

Fraser advised Management Team of input received from IES who will be presenting research to the Leadership Group meeting next week to enable discussion around the nature of leadership before moving on to discuss and develop the role profiles. Management Team noted that meetings between IES and the Leadership Group had been organised in July in advance of the meeting of the Leadership Group again in August which would focus on professional leadership.

Management Team welcomed the update and following discussion, Fraser advised he was also in contact external contacts following their leadership development initiatives to learn of the benefits and outcomes of these projects.

Following discussion, Fraser agreed that his report on 27 June 2017 would build in the Audit Strategy timeline for completeness.

3. Securing world class audit: Future strategy update

Management Team agreed this item would be postponed to their next meeting on 20 June 2017.

4. Building a better organisation: Glasgow office refresh

David Hanlon, Corporate Finance Manager, joined the meeting.

David Hanlon introduced the Glasgow office refresh report, which had been previously circulated.

David invited Management Team to note the report documented an earlier discussion at Management Team on 25 April 2017 regarding the approval to award a contract to GHE for the fit out work and an order for supporting furniture together with the proposals for closing the office options to enable the works to be carried out.

Management Team noted the progress reported on the project and discussed the risks and benefits associated with the options for closing the office for a period of three weeks, including the ability of colleagues to work from West Port, other audit offices or from home and the resilience of our of systems to support that.

Following discussion, Management Team approved the closure of the Glasgow office for a period of three weeks from 18 July to 9 August 2017, agreed that Lynn Scott and Joanna Mansell would communicate with colleagues to keep them informed of progress and Diane agreed to liaise with Jim Cumming in relation to supporting colleagues in working from other locations.

Management Team welcomed the report.

Action: Diane McGiffen to liaise with Jim Cumming in relation to supporting colleagues in working from other locations. (June 2017)

5. Public Sector Severance Policy Consultation

Stephen Boyle, Assistant Director, Audit Services Group, joined the meeting.

Stephen Boyle introduced the Public Sector Severance Policy Consultation report, a copy of which had previously been circulated.

Stephen invited Management Team to review and approve the submission of a response to the Scottish Government's consultation of Severance arrangements across the devolved public sector.

Management Team considered the reflected on the questions contained within the consultation and the proposed response.

Following discussion, Management Team agreed that we would respond corporately to the consultation with a high level summary of the key principles we had previously reported on. Diane McGiffen agreed to liaise with Stephen to finalise the response to the Scottish Government.

Management Team thanked Stephen for his report.

Action: Diane McGiffen to liaise with Stephen Boyle to finalise Audit Scotland's response to the consultation. (June 2017)

Stephen Boyle, Assistant Director, Audit Services Group, left the meeting.

6. Business Continuity Update

Alex Devlin, Corporate Governance Manager, joined the meeting.

Alex Devlin introduced the Business Continuity Update report, which had been previously circulated.

Alex invited Management Team to note the update to Audit Scotland's business continuity arrangements and activity, including the substantial assurance received from our internal auditor's following their review of our arrangements in May 2017 and of work underway for continued testing of these throughout the year.

Management Team welcomed the report and noted the theme of cyber security for the business continuity awareness week was timely.

7. Freedom of Information

Diane McGiffen advised that she would liaise with Alex Devlin and the Communications team in considering the report Monitoring Model Publications Scheme 2016/17 published by the Scottish Information Commissioner.

Action: Diane McGiffen to liaise with Alex to discuss the review of SPA governance with Stephen Boyle. (June 2017)

Alex Devlin, Corporate Governance Manager, left the meeting.

8. Draft agenda: Management Team 20 June 2017

Management Team noted the proposed draft agenda for the meeting of 20 June 2017 which would be updated to include the Future Strategy Update report by Russell Frith.

9. Any other business

- Scottish Police Authority

Management Team noted the forthcoming report which was due to be published on Thursday 22 June 2017. Fraser advised he would speak with Stephen Boyle with regard to the review of the SPA's governance which would be taking place over the summer.

Action: Fraser McKinlay to discuss the review of SPA governance with Stephen Boyle. (June 2017)

10. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 20 June 2017.

Management Team

Tuesday 20 June 2017, 9.15am

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

Present:

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

Apologies:

Fiona Kordiak

In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk
Mark Taylor, Assistant Director, Audit Services Group
Paul O'Brien, Senior Manager, Audit Strategy
David Blattman, HR & OD Manager

1. Minutes of meeting: 13 June 2017

The draft minutes dated 13 June 2017 were discussed and subject to minor amendment agreed these were an accurate record of the meeting.

Management Team discussed feedback from colleagues in relation to the forthcoming closure of the Glasgow office around flexible working arrangements and noted local arrangements were in place.

Management Team noted that our response to the Public Sector Severance consultation was drafted on behalf of the Auditor General for Scotland, Audit Scotland and the Accounts Commission.

2. Making a Difference: Business group plans

Martin Walker, Assistant Director, Corporate Performance and Risk, Mark Taylor, Assistant Director, Audit Services Group, Paul O'Brien, Senior Manager, Audit Strategy, joined the meeting.

Martin Walker introduced the report Business plans 2017/18 reports, which had been previously circulated.

Martin invited Management Team to note each of the business plans support the delivery of current strategic and operational priorities together with the development of the strategic planning framework and the development of the new corporate plan for 2018/19 onwards.

During discussion, Management Team recognised the individual business plans were more aligned with clear themes developing year on year and welcomed that colleagues across the organisation were working together in the process for updating these year on year.

Following discussion, Management Team welcomed the assurance provided by the business plans and agreed that the overriding Becoming World Class ambition remained a valid platform for the refresh of the corporate plan.

Management Team thanked the teams for their input to the plans.

Mark Taylor, Assistant Director, Audit Services Group, left the meeting.

3. Securing world class audit:

- Future strategy update

Elaine Boyd, Assistant Director and John Gilchrist, Manager, Audit Strategy and David Blattman, HR & OD Manager, joined the meeting.

Russell Frith introduced the Future Strategy Update report, which had been previously circulated.

Russell invited Management Team to note the report provided an update following the Audit Strategy workshop held on 7 June which considered the arrangements around the future of the work of the Assistant Auditor General and the Audit Strategy Team after 31 December 2017.

During discussion, Management Team recognised the level of engagement and commitment from everyone on the day to consider a diverse range of views for the future delivery of work, the common agreement around the importance of audit quality and delivery of procurement while recognising the value of professional leadership and technical expertise.

Management Team acknowledged the contribution of everyone attending the workshop and welcomed the team's desire to develop the areas of agreed principles and take forward the opportunities to build on engagement and visibility of the work of Audit Strategy.

- Future of Audit Strategy

Paul O'Brien introduced the report on the Future of Audit Strategy, a copy of which had been previously circulated.

Paul invited Management Team to note the update from Audit Strategy sub group following the workshop on 7 June 2017 with comments on the proposals for next steps.

Paul O'Brien tabled a set of slides to aid discussion around the activities under the quality assurance work, widening the circle of input and engagement and inviting Management Team views on the three related strands of work identified and sought approval on the membership of a project team to take forward the quality assurance work as a priority with work on audit procurement and professional leadership to follow.

Management Team welcomed the report and the opportunity to discuss the detailed proposals from the sub group.

Management Team considered the existing timeline and resource arrangements for the quality work due in September 2017 and Elaine Boyd tabled a detailed timeline for the quality framework, governance arrangements and external assurance which set out formal engagement with the Accounts Commission and Audit Scotland Management Team and Board.

On reflection, and following detailed discussion, it was agreed that professional leadership was the overriding objective under which the quality assurance strand sat and the procurement work would be developed.

Turning to the project group, Management Team agreed that membership would be wider than the Audit Strategy sub group to ensure business input and future vision formed the rationale behind proposals for delivery prior to engagement more widely. Martin Walker advised he would be able to provide assistance in relation to governance, transparency and openness.

Following discussion, Paul, Elaine and John agreed to return to Management Team with updated proposals in July 2017.

Action: Paul O'Brien, Elaine Boyd and John Gilchrist to report to Management Team with updated proposals in July 2017.

Martin Walker, Assistant Director, Corporate Performance and Risk, Paul O'Brien, Senior Management, Elaine Boyd, Assistant Director and John Gilchrist, Manager, Audit Strategy and David Blattman, HR & OD Manager, left the meeting.

4. Draft agenda: Management Team 27 June 2017

Management Team noted the proposed draft agenda for the meeting of 27 June 2017.

5. Any other business

There was no further business.

6. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 27 June 2017.

Management Team

Tuesday 27 June 2017, 9.15am

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

Present:

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

Apologies:

Fiona Kordiak

In attendance:

David Hanlon, Corporate Finance Manager, Corporate Services
Martin Walker, Assistant Director, Corporate Performance and Risk
Fiona Diggle, Audit Officer, Performance Audit and Best Value
Craig McKinlay, Performance Audit and Best Value
David Blattman, HR & OD Manager, Corporate Services
Tracey Bray, Senior Business Partner, HR & OD, Corporate Services

1. Minutes of meeting: 20 June 2017

The draft minutes dated 20 June 2017 were discussed and Management Team agreed these were an accurate record of the meeting.

Russell Frith tabled an updated timeline for the Quality work following last week's meeting. Russell advised Paul O'Brien is taking the opportunity to review and build on the options discussed last week to include audit quality, remit and governance arrangements and reporting timelines. Russell advised a further report will come to Management Team on 25 July 2017.

2. Financial results: Two months to May 2017

David Hanlon, Corporate Finance Manager, joined the meeting.

David Hanlon introduced the Financial results: Two months to May 2017 report, which had been previously circulated.

David invited Management Team to note the results for the two months highlighting that further analysis was required to reconcile the timing of fee income and to understand time recorded for best value audit work.

During detailed discussion, Management Team welcomed the further analysis to be undertaken with respective directors to provide more clarity around improved time coding of best value.

Following discussion, Management Team welcomed the assurance around the forecast for quarter one financial results which was scheduled to come to Management Team by the end of July.

Action: David Hanlon to liaise with respective directors ahead of quarter one reporting. (July 2017)

3. Securing world class audit: Reporting on fees and funding

Russell Frith introduced the Reporting on fees and funding report, which had been previously circulated.

Russell invited Management Team to note the summary of current arrangements for reporting and set out proposals for future reporting arrangements for fees and funding, including sectoral reporting and the extent to which the cost of in-house audits compare to those of firms on an audit year basis.

During detailed discussion, Management Team considered the frequency of reporting, the visibility of contract monitoring, compliance and the links to the need for improved time recording and coding.

In relation to in-house outturn performance reporting by audit year, Management Team agreed there was merit in continuing to provide assurance around in-house efficiency with comparisons to how the firms are performing Russell agreed to meet with Fiona Kordiak on return from annual leave to take this forward.

Furthermore, Management Team agreed with the proposal for annual reporting by way of assurance to Management Team and the Board around the budget setting process together with a refresh at the end of each year. Russell to provide a proposed timeline for reporting and schedule a wider discussion around KPIs with Management Team in September 2017.

Turning to the proposal for the level of fees information being monitored and subsequently reported to Management Team and Audit Committee, Management Team agreed the analysis of increased fees or underspends formed part of the remit of monitoring the contracts and this analysis should be reported alongside our current quarterly financial reporting. Management Team also agreed that firm's expenditure should be published each year simply to provide assurance of how they were performing.

Following discussion, Management Team welcomed the discussion.

Action: Russell Frith to liaise with Fiona on the outturn performance reporting. (July 2017)

Action: Russell Frith to provide a timeline for reporting to Management Team and the Board. (September 2017)

Action: Russell Frith to schedule a discussion around KPIs with Management Team. (September 2017)

Action: Russell Frith to schedule quarterly reporting on fee increases and/or underspends. (August 2017)

David Hanlon, Corporate Finance Manager, left the meeting.

4. Making a Difference: Corporate Performance and Business Management Framework – draft invitation to tender

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

Martin Walker introduced the report on Corporate Performance and Business Management Framework – draft invitation to tender, a copy of which had been previously circulated.

Martin invited Management Team to consider a draft contractor brief to obtain external consultancy to support the development of our corporate performance and business management framework and system solutions to support this.

During detailed discussion, Management Team considered the proposed approach of running two tenders and the practicalities of managing that, the timescales involved, the possibility of keeping the in-house option on the table and the likely cost.

Following discussion, Management Team welcomed the report and shared some initial thoughts on the documentation in terms of simplifying the key messages, positioning and suggested consideration be given to running the tenders simultaneously.

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

5. Building a Better Organisation: How we use our time

Fiona Diggle, Audit Officer and Craig McKinlay, Data Manager, Performance Audit and Best Value, joined the meeting.

Fiona Diggle introduced the report on How we use our time, which had been previously circulated.

Fiona invited Management Team to consider the project scoping paper and agree in principle the objection, scope and approach, deliverables and timescales and the governance and management for the project.

Management Team discussed the project which was proposed to be undertaken in two parts, looking at the data available on how we currently record time and what this tells us and consult with colleagues to find out what is working or not. Management Team agreed that they would like to see future recommendations which recognise our continuing commitment to development and learning, enhancing skills and enabling capacity and developments to corporate performance management systems.

Following discussion, Management Team welcomed the scope and agreed in principle with the objectives set out.

Fiona Diggle, Audit Officer and Craig McKinlay, Data Manager, Performance Audit and Best Value, left the meeting.

6. Building a Better Organisation: Leadership conversations

Fraser McKinlay introduced the report on Leadership conversations, which had been previously circulated.

Fraser invited Management Team to note the update on our approach to leadership conversations and agree next steps.

Management Team considered the next steps and discussed the forthcoming schedule of meetings with Peter Reilly of IES, the refining of the role profiles to clarify expectations and link the value and aspirations of the organisation, and the proposed agenda for the next meeting of Leadership Group on 16 August 2017.

Following discussion, Management Team welcomed the update and Fraser advised he would be communicating with colleagues in advance of the meetings with Peter Reilly.

Action: Fraser McKinlay to share with colleagues the agenda for the meetings scheduled with Peter Reilly of IES. (July 2017)

7. 3D Review

David Blattman, HR & OD Manager and Tracey Bray, Senior Business Partner, HR & OD, joined the meeting.

David Blattman introduced the report on Leadership conversations, which had been previously circulated.

Tracey Bray invited Management Team to note the results of the 2017 Development Discussion Document (3D) and consider the proposed follow up actions as set out in the report.

During discussion, Management Team acknowledged that the new 3D meetings have proven to be popular with colleagues however recognised the importance that everyone needs to record discussions to ensure that we are able to evidence colleagues are discussing their short and long term development and career opportunities.

Following discussion, Management Team agreed that mainstreaming 3D and how that links to the delivery of world class audit and being a core element of future discussions in any future Career Development Gateway process which links to available learning and development opportunities and resource planning.

Management Team welcomed the report and discussion.

Tracey Bray, Senior Business Partner, HR & OD, left the meeting.

8. Redundancy Scheme Financial Reconciliation Report: Business Support Services

David Blattman introduced the Redundancy Scheme Financial Reconciliation Report: Business Support Services, which had been previously circulated.

David invited Management team to note the reconciliation of the redundancy scheme which had been deployed as part of the restructuring of Business Support Services and welcomed any comments in advance of submitting the report to Remco to its meeting on 5 October 2017.

During discussion, Management Team welcomed the outcome and Diane McGiffen advised she had a meeting scheduled with Lynn Scott as a general review of how the restructured team is delivering support to the business.

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

9. Draft agenda: Management Team 25 July 2017

Management Team noted the proposed draft agenda would be circulated for consideration by 25 July 2018.

10. Any other business

Management Team discussed known business matters requiring attention over the summer holidays and Caroline Gardner advised colleagues if there were any other developments she should be aware of she was available to discuss.

Diane McGiffen briefed Management Team on the follow up information requested following the meeting with the SCPA on 21 June 2017 and advised she would liaise on her return from holiday. Management Team also noted we are to host the SCPA business planning meeting in our West Port offices on 31 August 2017, further details of which would follow.

11. Date of next meeting

It was noted that the next meeting of Management Team was scheduled for 25 July 2017.

Management Team

Tuesday 25 July 2017, 9.15am

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

Present:

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

Apologies:

No apologies

In attendance:

Paul O'Brien, Senior Manager, Audit Strategy
Anne Cairns, Manager, Audit Strategy
John Gilchrist, Manager, Audit Strategy
Elaine Boyd, Assistant Director
Fiona Daley, Consultant, Audit Strategy
Mark Taylor, Assistant Director
Rebecca Seidel, Audit Manager, Performance Audit & Best Value
David Hanlon, Corporate Finance Manager, Corporate Services
Martin Walker, Assistant Director, Corporate Performance and Risk

1. Minutes of meeting: 27 June 2017

The draft minutes dated 27 June 2017 were discussed and subject to minor amendment Management Team agreed these were an accurate record of the meeting.

2. Future Strategy Update and NFI

Paul O'Brien, Anne Cairns, John Gilchrist, Elaine Boyd and Fiona Daley joined the meeting.

Paul O'Brien introduced the Future Strategy Update and NFI report, which had been previously circulated.

Paul invited Management Team to comment on the proposed options for the delivery of audit procurement, quality assurance, technical and counter-fraud activities.

A detailed discussion followed and it was agreed that the team were encouraged to take forward the work by developing an ambitious vision and radical options of what options could look like in five years time covering all audit work.

Following discussion, it was agreed that a revised report would be considered at the Management Team meeting scheduled for 22 August 2017.

Action: Audit Strategy colleagues to revise Future Strategy report and present to Management Team on 22 August 2017

Paul O'Brien, Anne Cairns, John Gilchrist, Elaine Boyd and Fiona Daley left the meeting.

3. New financial powers and constitutional change budget proposals

David Hanlon, Corporate Finance Manager, Mark Taylor, Assistant Director and Rebecca Seidel joined the meeting.

Rebecca Seidel introduced the New financial powers and constitutional change budget proposal report, which had been previously circulated.

Rebecca invited Management Team to comment on the proposals for the 2018/19 budget bid which would be considered by the Board on 23 August and also to comment on the resource needs assessment considered by the New Financial Powers Steering Group on 20 June 2017.

During detailed discussion, Management Team considered the initial estimates of resourcing requirements, analysing these by year for the period from 2018/19 to 2021/22 and noting that the additional resource requirements could range from around £0.5m to £1.2m by the end of the period. Management Team noted the need to have flexibility to respond to changing timescales and developments.

It was further agreed that a revised report would be considered by Management Team on 15 August 2017.

Action: Mark Taylor and Rebecca Seidel to revise the New financial powers constitutional change budget proposals report and present to Management Team on 15 August 2017.

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

4. Q1 Financial Performance

David Hanlon introduced the financial results for the 3 months to June 2017, a copy of which had been previously circulated.

Management Team noted that in the three months to June 2017 Audit Scotland's Net Operating Expenditure at £924k was £74k less than budget.

During discussion, Management Team agreed that a nil return would be completed for the autumn budget return.

Management Team noted the financial results for 3 months to June 2017 and agreed that they be presented to the Board on 23 August 2017.

David Hanlon, Corporate Finance Manager, left the meeting.

5. Value for money/efficiency review: Consultancy and supplementing capacity

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

Martin Walker introduced the Value for money/efficiency review: Consultancy and additional capacity report, which had been previously circulated.

Martin invited Management Team to consider the draft Scope which tested the value for money achieved when contracting external consultants and securing additional capacity.

Following discussion it was agreed that ASG agency staff would be included in the report as would consultants engaged on the Learning and Development budget.

Action: Martin Walker to revise the Value for Money/efficiency review, consultancy and additional capacity report and bring back to Management Team in September 2017.

6. Management Team remit and terms of reference

Martin Walker introduced the report on Management Team remit and terms of reference, which had been previously circulated.

Martin invited Management Team to note this report came following our annual review of the standing orders, scheme of delegation and financial regulations and took into account the outcomes from the internal audit report which recommended capturing the Management Team remit in one document.

Following discussion it was agreed that the terms of reference would be reviewed again once the governance of audit quality and procurement has concluded, and that it would be reviewed annually in line with the review of standing orders.

Fraser advised that the Leadership Group would discuss leading Audit Scotland as part of the professional development discussions around succession planning, resilience and capacity.

Action: Martin Walker to continue to develop the terms of reference for Management Team and present at a future meeting of Management Team. (August 2017)

Action: The Terms of Reference to be reviewed annually as part of the annual review of the Standing Orders.

Action: Management Team to consider Leadership Group succession planning, resilience and capacity options at the meeting scheduled for 22 August 2017.

7. Draft agenda: Accounts Commission 10 August 2017

Following discussion Management Team approved the agenda of the meeting of the Accounts Commission of 10 August 2017.

8. Accounts Commission Meeting Schedule 2018

Following discussion Management Team approved the meeting schedule for the Accounts Commission for 2018.

9. Draft agenda: Management Team 1 August 2017

Following discussion it was agreed that the Management Team meeting scheduled for 1 August would be cancelled..

10. Any other business

There was no further business discussed at the meeting

11. Date of next meeting

The next meeting of Management Team would take place on Tuesday 8 August 2017.

Management Team

Tuesday 8 August 2017, 9.15am

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

Present:

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

Apologies:

Caroline Gardner

In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk
David Hanlon, Corporate Finance Manager, Corporate Services
Stuart Dennis, Corporate Finance Manager, Corporate Services
Gemma Diamond, Senior Manager, Performance Audit and Best Value
John Gilchrist, Manager, Audit Strategy

1. Minutes of meeting: 25 July 2017

The draft minutes dated 25 July 2017 were discussed and subject to minor amendment Management Team agreed these were an accurate record of the meeting.

2. Audit Services Group: Demonstrating value for money draft report

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

Fiona Kordiak introduced the draft Demonstrating value for money report, which had been previously circulated.

Management Team noted this report had been prepared and updated to capture the added value of in-house audit work by Audit Services to provide assurance to the Board around the value for money provided by Audit Scotland following the last procurement round.

Management Team also reflected on the paper at item 3 of today's agenda, Performance Audit and Best Value: Demonstrating value for money draft prepared by Fraser McKinlay. Management Team discussed the benefit of streamlining the two reports by combining them into one for consideration by the Board at its meeting on 23 August 2017. Diane McGiffen agreed to provide a structure for the report to include some corporate narrative to support the delivery of outputs and quality while reducing operational costs.

Following discussion, Management Team welcomed the strong performance of delivering value for money audit work over the past five years which provided a strong base for the future.

Action: Diane McGiffen to combine the two draft reports at item 2 and item 3 of today's agenda for submission to the Board. (10 August 2017)

3. Performance Audit and Best Value: Demonstrating value for money draft report

This report was considered alongside item 2 of today's agenda.

David Hanlon and Stuart Dennis, Corporate Finance Managers, left the meeting.

4. Corporate planning process 2017/18

Martin Walker introduced the Corporate planning process 2017/18 report, a copy of which had been previously circulated.

Martin invited Management Team to consider the proposed approach which had been developed from the refresh of last corporate plan and sought to build on our current suite of issue and risk monitoring arrangements.

During discussion, Management Team considered the contributors and actions for developing the corporate plan, including context around the operating environment, our vision, values and guiding principles which informed the strategic priorities and objectives.

Management Team welcomed the thorough consideration of the proposed refreshed strategy and scope and the innovative use of regular online strategy jams to collaborate with colleagues across the organisation. Management Team noted external engagement was being developed to identify key ways of engaging with key stakeholders and the public.

Following discussion, Management Team provided some comments on the proposals, inviting more visibility of the Auditor General for Scotland, the role of leadership group to encourage and support staff participation before reflecting on the success of the current corporate plan.

5. Digital audit strategy

Gemma Diamond, Senior Manager, Performance Audit and Best Value, joined the meeting.

Gemma Diamond introduced the Digital audit strategy report, which had been previously circulated.

Gemma invited Management Team to note the strategy had been developed following the Digital Summit with Management Team in December 2016, discussions with the Board and external engagement which aimed to deliver a signal for the step change over the next three years for supporting and delivering world class audit. Management Team were invited to consider, comment and approve the digital audit strategy for submission to the Board.

During discussion, Management Team noted the breadth of approach to auditing digital, recognising that digital is, after police, fire and ambulance, the fourth service and therefore it is vital to assess how public bodies deliver and operate their services. Management Team advised of a few comments for inclusion and agreed this should be linked to the corporate plan and promoted on Yammer and our website once approved.

Following discussion, Management Team welcomed the clear and concise strategy which aimed to bring together not only the framework and processes for delivery digital audit but also provided the ability to assess and coordinate skills and gaps.

Management Team approved the draft strategy for submission to the Board.

Action: Gemma Diamond to submit the strategy to the Board. (14 August 2017)

Martin Walker, Assistant Director, Corporate Performance and Risk and Gemma Diamond, Senior Manager, Performance Audit and Best Value, left the meeting.

6. External quality appraisal

John Gilchrist, Manager, Audit Strategy, joined the meeting.

Russell Frith and John Gilchrist introduced the External quality appraisal report, a copy of which had been previously circulated.

Russell invited Management Team to note the report which had been brought forward to allow sufficient time to proceed to tender under EU procurement rules and sought approval to proceed.

During detailed discussion, Management Team considered the specifications of the external assurance and the tendering options at Appendix 1, which included proposals for a single contract for all audit assurance or multiple contracts for each of financial, performance and Best Value Assurance Reports (BVAR). Management Team also discussed the term of the contract term and considered the draft specification at Appendix 2.

Following discussion, Management Team approved the option of one contract for all external assurance should provide for more consistency of approach and that the term should be consistent with audit appointments and review all types of audit work.

Management Team welcomed the discussion.

7. Draft agenda: Management Team 15 August 2017

Management Team considered the proposed agenda for the meeting on 15 August 2017 and agreed additional items for discussion.

8. Draft agenda: Accounts Commission Committees 24 August 2017

Management Team noted the draft agenda for the meetings of the Accounts Commission Committees on 24 August 2017.

9. Any other business

Fiona Kordiak briefed Management Team on a staffing matter for noting.

Diane McGiffen advised Management Team of discussions with the SCPA in relation to the proposed agenda for their business planning meeting which we are hosting on 31 August 2017.

10. Date of next meeting

The next meeting of Management Team would take place on Tuesday 15 August 2017.

Management Team

Tuesday 15 August 2017, 9.15am

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

Present:

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

Apologies:

None

In attendance:

Mark Taylor, Assistant Director, Audit Services Group
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
David Hanlon, Corporate Finance Manager, Corporate Services
Stuart Dennis, Corporate Finance Manager, Corporate Services
Ian Metcalfe, Governance Officer, Corporate Services
Martin Walker Assistant Director, Corporate Performance and Risk
Alex Devlin, Corporate Governance Manager

1. Minutes of meeting: 8 August 2017

The draft minutes dated 8 August 2017 were discussed and subject to amendment Management Team agreed these were an accurate record of the meeting.

2. New financial powers and constitutional change

- Transitional staff costs 2017/18

Mark Taylor, Assistant Director, Audit Services Group and Rebecca Seidel, Audit Manager Performance Audit and Best Value, and David Hanlon and Stuart Dennis, Corporate Finance Managers, joined the meeting.

Rebecca Seidel introduced the Transitional staff costs 2017/18 report, which had been previously circulated.

Rebecca invited Management Team to note the proposals to increase our intake of professional trainees in 2017/18 to help build capacity to accommodate work arising from financial devolution and constitutional change, which were contained within the draft report to the Board for its consideration on 23 August 2017 and welcomed any comments.

Management Team noted the proposals in relation to the 2018/19 draft budget report at item 3 of today's agenda which included estimated costs around proposals for how this work could be funded.

During detailed discussion, Management Team reflected on the scale of constitutional change, the timing of resources coming online and the need to provide longer term assurance to support the anticipated additional work arising from the introduction of VAT powers.

Management Team welcomed the report which set the context for the Board in terms of preparing for the work ahead and the resource required to support it before advising of additional commentary for the Board paper.

Following discussion, Management Team approved the proposal to take on additional trainees in the current appointment round.

- Budget proposals

Mark Taylor introduced the Budget proposals report to support the New financial powers and constitutional change, a copy of which had been previously circulated.

Mark invited Management Team to consider the draft report to the Board containing proposals for the budget growth as a result of financial devolution and constitutional change and sought approval for the report to be submitted for consideration by the Board as part of the 2018/19 budget proposals.

During discussion, Management Team recognised the significant of Audit Scotland's role in supporting the Scottish Parliament and strengthening scrutiny in light of fundamental changes to public finances and the need to increase our strategic capacity to respond.

Management Team considered the range of work to be covered and the implications on the budget in the current financial year and future years.

With regard to the additional resource, Management Team welcomed the opportunity to discuss a more flexible approach to deploying resource in order to build on our one organisation approach while recognising the benefits for staff.

Turning to funding, Management Team agreed to fund part of the costs from the Management Team contingency budget but a further discussion would be scheduled to allow for consideration of other budget areas.

3. Draft 2018/19 budget

David Hanlon introduced the draft 2018/19 Budget report, which had been previously circulated.

David invited Management Team to review and discuss the proposed budget for 2018/19 and cost predictions for the four following years.

During detailed discussion, Management Team considered the initial budget assumptions set out in relation to support for new financial powers, as reported at item 2 of today's agenda, together with an increase in workforce, the external assurance being sought in relation to the Quality review, anticipated increases in relation to staff pay and pension contributions, potential increases of auditor remuneration by the firms, provision for property costs, a static Management Team contingency budget and capital expenditure for investment in IT equipment.

Management Team reflected that the fee and funding strategy had delivered a reduction in the overall cost of audit in preceding years and noted that while the proposed budget offered a further small reduction in the cost of audit in real terms to audited bodies we required to support an increase in the level of audit scrutiny in relation to the devolved powers for Scotland.

Following discussion, Management Team agreed that this draft 2018/19 Budget report would reference the earlier report on the budget proposals for supporting the work on the new financial powers set out in an appendix to the Board for its consideration on 23 August 2017.

David Hanlon and Stuart Dennis, Corporate Finance Managers, left the meeting.

4. Q1 Corporate performance report

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

Martin Walker introduced the Q1 Corporate performance report, a copy of which had been previously circulated.

Martin invited Management Team to note the overall strong performance reported in Q1 and consider the proposed changes to the reporting focus and format following a review of the 2016/17 performance, discussions with the Performance and Risk Management Group and feedback from Management Team and the Board.

During detailed discussion, Management Team noted the refresh of the key performance questions had highlighted where new performance measures were required and welcomed the inclusion of more information on audits covered by the Firms.

Management Team recognised the report reflected our key corporate objectives and was still being developed but agreed a number of inclusions in relation to our programme development work, including further measures for some of the objectives and expansion of the summary.

Turning to the rag status of each objective, Management Team reflected that in relation to empowering and engaged colleagues this should change to amber to recognise there were a range of activities still underway. Management Team noted a number of changes for the Board report.

Following discussion, Management Team welcomed the report and the communication proposed to share with colleagues.

5. Q1 Becoming world class improvement programme report

Martin Walker introduced the Q1 Becoming world class improvement programme report, which had been previously circulated.

Martin invited Management Team to note the good progress reported and next steps and welcomed any comments.

During discussion, Management Team reflected on progress made across all workstreams and Fraser McKinlay advised he would like to meet with Martin and others to review the Making a Difference workstream. Russell Frith advised he had a couple of comments which he would share out with the meeting on Securing World Class Audit.

Management Team welcomed the report recognising how this related to the corporate plan and agreed this would be shared with colleagues alongside the quarterly corporate performance report.

Management Team reflected on the newly refurbished Glasgow office and the positive feedback from colleagues so far.

Action: Fraser McKinlay and Martin Walker to meet to consider the Making a Difference workstream. (August 2017)

Action: Russell Frith to provide comments out with the meeting. (August 2017)

Action: Martin Walker to liaise with Communications to share the reports with staff. (August 2017).

Ian Metcalfe, Corporate Performance Officer, left the meeting.

6. Openness and Transparency draft board report

Martin Walker introduced the Openness and Transparency draft board report, a copy of which had been previously circulated.

Martin invited Management Team to note the report reflected on the Board's commitment to continued improvement around openness and transparency in line with the On Board guidance,

while considering the external operating environment and the arrangements of other public bodies.

During discussion, Management Team reflected on the developments over the past year while recognising that it was useful for the Board to consider the approach undertaken by other public bodies approach to conducting business in public and agreed the report should expand on the increased public expectation of openness and transparency of meetings.

Management Team welcomed the report and discussion.

7. Annual review of information governance policies

Alex Devlin, Corporate Governance Manager, joined the meeting.

Alex Devlin introduced the Annual review of information governance policies, copies of which had been previously circulated.

Alex invited Management Team to consider and approve the following policies to the Board for re-approval.

- Freedom of information

Management Team considered the annual review of the Freedom of Information and Environmental Information Policy and recommended it to the Board for re-approval.

- Data protection

Management Team considered the annual review of the Data Protection Policy and recommended it to the Board for re-approval.

- Records management

Management Team considered the annual review of the Records Management Policy and recommended it to the Board for re-approval.

8. Internal Audit Report

- Quality management

Alex Devlin introduced the Internal audit report on Quality Management, a copy of which had been previously circulated.

Alex invited Management Team to note the reasonable assurance reported and welcomed any comments on the internal audit report.

During discussion, Management Team acknowledged that the recommendations contained within the report were captured in the quality review scope which formed part of the Securing World Class Audit activities currently underway.

9. Data incident/loss

Alex Devlin introduced the Data incident/loss report, which had been previously circulated.

Alex invited Management Team to note the three incidents reported and welcomed any comments.

Management Team discussed the actions which had been taken to minimise risk and Diane McGiffen agreed to seek a discussion with colleagues to look at practical solutions.

Alex also invited Management Team to note the positive assurance received from the Keeper of the Records in relation to our records management process and policies.

Management Team welcomed the report and assurance received.

10. Draft agenda: Management Team 22 August 2017

Management Team considered the proposed agenda for the meeting on 22 August 2017 and noted the business scheduled for discussion. Russell Frith agreed to confirm attendees for the discussion on the Future Strategy update report.

11. Draft agenda: Audit Firms Meeting 29 August 2017

Management Team noted the proposed agenda and apologies received. Following discussion Management Team agreed that the meeting should be rescheduled in order to provide opportunity for Partners to participate in the second meeting since the new audit appointment round.

12. Any other business

Fraser McKinlay invited Management Team to consider the format for the meeting of the Leadership Group on Wednesday 16 August and welcomed any comments.

Diane McGiffen advised Management Team of discussions with the Chair in advance of the Board meeting on Wednesday 23 August and SCPA business planning meeting on 31 August 2017.

13. Date of next meeting

The next meeting of Management Team would take place on Tuesday 22 August 2017.

Management Team

Tuesday 22 August 2017, 9.15am

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

Present:

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

Apologies:

None

In attendance:

David Blattman, HR & OD Manager, Corporate Services
Paul O'Brien, Senior Manager, Audit Strategy
Antony Clark, Assistant Director, Performance Audit and Best Value
Gillian Woolman, Audit Services Group
Owen Smith, Senior Manager, Audit Strategy
Elaine Boyd, Assistant Director, Quality
Fiona Daley, Consultant, Audit Strategy
David Robertson, Digital Services Manager, Corporate Services
Martin Walker Assistant Director, Corporate Performance and Risk
Alex Devlin, Corporate Governance Manager

1. Minutes of meeting: 15 August 2017

The draft minutes dated 15 August 2017 were discussed and subject to amendment Management Team agreed these were an accurate record of the meeting.

2. Building a better organisation: Leadership conversations

Fraser McKinlay invited Management Team to reflect on discussions at Leadership Group on Wednesday 16 August on pay and reward and their agreement that the principles of Building a Better Organisation should apply to that strategy. Fraser advised he would share the consultant's proposals with colleagues when these were available.

During discussion, Management Team welcomed the opportunity to reflect on the meeting, noting the immediate next steps for the leadership reward strategy before considering the longer term agenda around professional leadership programme for Autumn/Winter 2017.

Action: Fraser McKinlay to share the consultant's proposals on reward and strategy with Leadership Group. (September 2017)

3. Securing world class audit: Future of Audit Strategy update

David Blattman, HR & OD Manager, Paul O'Brien and Owen Smith, Senior Managers, Audit Strategy, Antony Clark, Assistant Director, Performance Audit and Best Value and Gillian Woolman, Assistant Director, Audit Services Group joined the meeting.

David Blattman introduced the Future of Audit Strategy update report, which had been previously circulated.

David invited Management Team to note the work undertaken by the project group to progress the overall vision for the future of Audit Strategy and sought approval of this and consideration of the options presented before agreeing next steps. Paul O'Brien tabled a slide setting out the vision for a centre of excellence.

During discussion, Management Team welcomed the overall vision and ambition as set out in the report and recognised the links to the report at item 4 of today's agenda.

Management Team considered the proposals and agreed that a revised Option 4 was the preferred choice, subject to further evolution, with the technical and professional support around audit quality being an embedded function within the two business groups of Performance Audit and Best Value and Audit Services Group with audit procurement, quality assurance and contract management as an independent, corporate function.

Turning to leadership of the two areas, Management Team agreed that Fiona Kordiak would take the overall lead on professional leadership for the technical support with Diane McGiffen overseeing the corporate elements of independent assurance and audit appointments.

Management Team also agreed that the Code of Audit Practice would be led from within the corporate team and the National Fraud Initiative would be supported by the professional support team embedded within the audit business groups.

Management Team recognised the work of the project team in presenting the options for consideration and welcomed the opportunity to integrate and broaden professional support and specialist skills within the audit groups and the benefits of centralising procurement.

It was agreed that the project team would take forward the implementation of an amended option 4 with support and advice from Fiona Kordiak.

Action: The project team to take forward implementation of option 4 with Fiona Kordiak. (September 2017)

4. Securing world class audit: Quality framework and governance arrangements

Elaine Boyd introduced the report on Quality framework and governance arrangements, a copy of which had been previously circulated.

Elaine invited Management Team to consider the range of proposed changes for governance of audit quality, approve the Audit Quality framework be shared with staff and firms for comment in advance of formal approval, consider and comment on the KPIs to be reported to the Audit Committee in September 2017, the terms of reference for the central quality and procurement team and the Corporate Audit Quality Group and consider the proposed additions to the remit of the Audit Committee.

During detailed discussion, Management Team welcomed the draft framework noting the expanded scope and subject to amendments around the purpose and extent of the framework, further clarification around management of the client survey, reporting, streamlining of KPIs and assurance around the implementation plan to deliver, Management Team approved the report for submission to the Audit Committee.

Turning to the Corporate Audit Quality Group, Management Team agreed Fiona Kordiak should chair the group who in turn agreed to provide guidance in order to simplify the responsibilities of the group.