

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Wednesday 22nd February 2006 at 10.30am.

PRESENT: A MacNish (Chair)
J Baillie
R W Black
C Gardner
P Taylor

H Hall, Managing Director Audit Services (Special Adviser to the Board)

IN ATTENDANCE: D McGiffen, Director of Corporate Services
R Frith, Director of Audit Strategy
W F Magee, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Minutes
2.	Audit Committee
3.	Accountable Officer's report
4.	Audit Scotland's Corporate Plan 2006/09
5.	Audit Scotland Budget 2006/07
6.	Audit Procurement Process
7.	Performance and Finance Report
8.	Future Meetings

1. Minutes

There were submitted and approved the minutes of meeting of 30 November 2005.

2. Audit Committee

The minutes of meeting of the Audit Committee of 13 February 2006 were submitted and noted and the recommendations contained therein were approved. It was reported and noted that the Scottish Commission for Public Audit have now appointed Haines Watts as external auditors of Audit Scotland from financial year 2005/06.

3. Accountable Officer's report

There was submitted a report by Robert Black as the Accountable Officer updating the Board on progress in Audit Scotland since its last meeting. The report covered the following areas:

- Business performance
- Supporting democratic scrutiny

- Maximising the value of audit
- Efficient Government
- Relationship with Parliament
- Relationship with the Executive
- Sustainable Development Commission
- Organisational development
- International activities.

Diane McGiffen reported on the successful performance of trainees in recent CIPFA examinations.

The Board welcomed and noted the report.

4. Audit Scotland Corporate Plan 2006/09

There was submitted a report by Diane McGiffen introducing the Audit Scotland Corporate Plan which had been considered in its final draft form by the Audit Scotland Management Team. Following the major re-focusing of priorities in 2005, the current draft followed a similar format and confirmed the three corporate priorities agreed in 2005.

In discussion of the report a number of adjustments to the text were proposed and agreed. Thereafter Audit Scotland agreed to:

1. Welcome the draft plan as submitted subject to the adjustments mentioned above.
2. Approve the plan for its interest; and
3. Approve the publication method proposed in the report.

5. Audit Scotland Budget 2006/07

With reference to paragraph 7 of the minutes of meeting of 30th November 2005 there was submitted a report by Russell Frith and Diane McGiffen presenting Audit Scotland's proposed budget for 2006/07. The report set out the background and context for the preparation of the budget, the assumptions which underlay it and gave an overview of the elements of the budget, changes which had been made since the SCPA bid stage, capital expenditure and comparison with prior years. After discussion, Audit Scotland agreed to approve the detailed budget as submitted with the report.

6. Audit Procurement Process

There was submitted and noted a report by Russell Frith on progress in implementing the procurement strategy for the Auditor General and the Accounts Commission and setting out the implications for Audit Scotland.

7. Performance and Finance Report

There was submitted a report by Diane McGiffen updating the Board on Audit Scotland's financial and business performance during the 9 months to December 2005. Attached to the report were seven schedules containing finance and performance information. Discussion of the report covered the following areas:

- The incidence of agency costs.
- Reasons for late completion of some audits.

Thereafter Audit Scotland noted the report.

8. Future Meetings

It was agreed to hold a meeting of Audit Scotland on Friday 23rd June 2006 to receive the Annual Report and Accounts.