

Minutes of Meeting of Audit Scotland held in the offices of Audit Scotland, 110 George Street, Edinburgh on Friday 26 March 2010 at 10am.

PRESENT: J Baillie (Chair)
R Cleland
J Maclean
R W Black

APOLOGIES: C Gardner

IN ATTENDANCE: D McGiffen, Director of Corporate Services
R Frith, Director of Audit Strategy
D Hanlon, Finance Manager

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Declarations of Interest
3.	Minutes of the meetings of <ul style="list-style-type: none">• Audit Committee dated 25 September 2009• Audit Scotland dated 11 February 2010
4.	Matters arising from the minutes <ul style="list-style-type: none">• Pension costs
5.	Budget 2010-11
6.	Corporate Plan 2010-11
7.	Board Development
8.	Accountable Officer's Report
9.	Any other business
10.	Date of Next Meeting

1. Apologies

Caroline Gardner submitted her apologies for the meeting.

2. Declarations of Interest

It was noted that there were no declarations of interest.

3. Minutes

Audit Committee

The minutes of the meeting of the Audit Committee of 25 September 2009 were submitted and approved, subject to the following corrections:

- Page 3, Item 6, second paragraph replacing the word “got” with “gone”.
- Page 4, Item 11, second paragraph inserting the word “for” after the words Audit Committee.

Audit Scotland

The minutes of the meeting of Audit Scotland of 11 February 2010 were submitted and approved, subject to the following corrections:

- Page 2, Item 5, fifth paragraph replacing the word “and” with “an”.
- Page 4, Item 15, correcting the date of the next Audit Committee meeting to 29 April 2010 and not 26 March 2010.

4. Matters Arising from the Minutes

Pension costs

There was an update from Finance Manager, David Hanlon, on the ability of Audit Scotland to make provision for pension costs. David explained that although it was possible to make provision for pension costs, Audit Scotland would incur the cost but not receive the benefit from reduced liability of making such provision.

5. Budget 2010-11

There was submitted a report by the Director of Audit Strategy and the Director of Corporate Services recommending approval of the 2010-11 budget.

The details of the original budget had been discussed at the Audit Scotland Board meeting held on 25 September 2009, prior to submission to the Scottish Commission for Public Audit.

The Board noted that tight financial control and monitoring of performance against budgets will be essential to ensure that the revised assumptions incorporated into the budget on fees and pay costs can be met.

The report confirmed that the revenue funding provided by the Scottish Parliament remains at £7.1M and capital funding at £0.3M.

Following discussion of the issues set out in the report, the budget was approved.

6. Corporate Plan 2010-11 Update

There was submitted a report by the Director of Corporate Services inviting the Board to approve a 2010-11 update to Audit Scotland's 2009-12 Corporate Plan. The report set out the review of progress against the plan which had been made, and highlighted the worsening economic context in which the plan was being delivered.

There was discussion of the objective of becoming a centre of excellence for public audit.

It was agreed that the update to the plan should highlight the actions being taken to review the cost of audit and that there would be a detailed report back to the Board on this in September, when the budgeting process for 2011-12 was complete.

The Board approved the corporate plan review and update.

7. Board Development Event

There was submitted a report by the Chair which summarised the outcomes of the Board development event held in February 2010.

Following discussion, it was agreed that the Director of Corporate Services would draft a letter to participants in the feedback to the Board summarising the feedback received and the actions that would be taken by the Board in response.

8. Accountable Officer's Report

There was submitted a report to the Board by the Accountable Officer, which had been previously circulated. The Accountable Officer highlighted, in particular, the establishment of the Independent Budget Review Panel and how Audit Scotland would engage with the work of the Panel.

The Board noted the progress highlighted for various areas of Audit Scotland's work and, in particular, congratulated Audit Scotland on its listing at 52 in The Sunday Times 75 Best Places to Work in the Public Sector.

9. Any Other Business

Public Service Reform Bill

There was discussion of the progress of the Public Service Reform Bill and its implications for the Board. It was agreed that the Director of Corporate Services should seek an early meeting between representatives of the Board and the Convener of the SCPA to discuss transitional arrangements.

10. Date of the next meeting

The date of the next Audit Scotland Board and Audit Committee will be held on:

- **Thursday, 29 April at 10.00hrs** and will be held in the **Boardroom** at the offices of **Audit Scotland at 110 George Street, Edinburgh.**