

National Archives of Scotland Audit Committee Meeting
Wednesday 9 November 2005, 10:00am
Lord Clerk Register's Room, General Register House

Present: Alison Chisholm (Chair, ROS)
George MacKenzie (NAS), Dave Brownlee(NAS), Jim Grady (NAS),
Lindsey Paterson, (*PricewaterhouseCoopers*), Solveig Daloya
(*PricewaterhouseCoopers*),
Stephen Bruce (LPS: CPS),
Nicola Fisher (FCS: FEP),
Derek Glover (FCS: ASU), Michael Healy (FCS: ASU), Alistair May
(FCS: ASU)
and Morag Fyfe (Secretary, NAS).

1. Minutes of last meeting and matters arising

The minutes were approved and there were no matters arising.

2. Internal Audit Oral Update

Alistair May provided an oral update to the meeting. Internal audit have completed the field work on two reviews. The reports will be prepared over the next few weeks and then discussed with NAS management. The remaining two reviews, on Private Records and Corporate Governance, will be completed early next year. Full reports will be presented to the next Audit meeting.

3. External Audit Final Management Report (*paper circulated*)

Lindsey Paterson presented the paper, which represents the summary of the External Audit for 2004/05. Section 2 highlights the actual outturn against the budget, showing an underspend in both staff costs and capital. The increase in budget for 2005/6 is mostly for staff pay. PwC have no particular concerns that NAS would not meet the budget for this year. The potential concern around the pay increase for this year was noted. The NAS have budgeted for a 3.5% increase in pay. Due to ongoing negotiations, the effects of the pay increase will not be known until later in the financial year. On VAT, work has been done by VAT Liaison and some over recovery was found. This was not considered to be significant and more training was recommended for staff. Dave Brownlee noted that a one-day training course on VAT had now been provided for all NAS FAB staff. At point 5, PwC will update the report to reflect the Audit Committee Terms of Reference being agreed. At point 6.12 in the report, PwC will include Internal Audit's statement from the last Audit meeting. The action points in Appendix 1 will be followed up during next year's audit. Mike Healy will meet with Solveig Daloya to discuss any overlap and duplication of work between internal and external audit. The audit is now finished and in a position to sign off.

Derek Glover requested an electronic copy of the audit certificate from PwC so that the final accounts can be sent to Audit Scotland by the end of November. PwC will forward the papers to Dave Brownlee to sign and then provide the relevant papers to Derek.

4. Risk Register

The consolidated departmental risk register has been agreed by NAS Management Board and issued. There was a brief discussion of those risks marked Likelihood: High, Impact: High.

5. Any Other Business

5.1 Audit Committee Competency Framework

The details of the framework were circulated and it was agreed to discuss them at the next meeting.

Action: Morag Fyfe to add Audit Committee Competency Framework to the agenda for the next meeting.
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5.2 Lindsey Paterson

Lindsey Paterson is due to go on maternity leave and the Audit Committee wished her well. She will return for the final audit next year. Cameron Revie will be covering her role in the interim period.

6. Date of next meeting

Morag Fyfe will canvas members for a date in February/March 2006.