I refer to the Committee’s call for evidence on the Public Services Reform (Scotland) Bill and offer below the views of the Audit Scotland Board on those clauses that have a direct effect on the workings of the Board and its members.

**Appointment to Audit Scotland Board, and of Chair**

Audit Scotland exists to serve the public interest and its Board needs to command the maximum public confidence. We therefore welcome the greater transparency and openness that should be engendered by the Parliament taking a greater role in the appointment of non-executive members of the Audit Scotland Board; the proposal that the Scottish Commission for Public Audit (SCPA) should make the appointments of the three non-executive members of the Board; and the clarification of the terms for which the appointments will run.

We are currently working with the SCPA during the process of filling an imminent vacancy and this should help to inform the details of how the proposed legislation would operate in practice.

Whilst we believe that the present informal arrangement whereby the Chair of the Accounts Commission has also been the Chair of the Audit Scotland Board has worked well in practice we also recognise that Parliament may prefer one of the non executive members with no connection to either the Auditor General or the Accounts Commission to undertake that role.

For further public assurance that appointments are demonstrably free from political bias, we suggest that the Public Appointments and Public Bodies etc (Scotland) Act 2003, which provides for the creation of the Office of the Commissioner for Public Appointments in Scotland (OCPAS) and its oversight of the public appointments made by Scottish Ministers, be extended to cover also appointments to the Audit Scotland Board. This would provide clear independent assurance of the fairness of the process.

**Auditor General’s term of appointment**

The Auditor General has written to you separately about his concerns about the potential risks to his independence arising from the involvement of the Parliamentary Corporation in setting the Auditor General’s terms of appointment and remuneration. This is a matter that the Board originally drew to the attention of the SCPA and we endorse the Auditor General’s views.

We also advocated the introduction of an eight year term of appointment and we are pleased to note its inclusion in the proposals.
New powers for Ministers

The Bill contains quite wide ranging provisions to permit changes to the public sector landscape to be brought in by Statutory Instrument rather than primary legislation. Both Audit Scotland and the Accounts Commission for Scotland are included in the extensive list of bodies to which these may be applied.

While we recognise that the provisions are designed to provide an efficient way of making future changes to the public sector landscape, there is a potential risk that such changes could reduce the transparency of public policy-making, and the independence of these bodies in the way in which they conduct their activities. This risk is mitigated, but not eliminated, by the safeguards built into the Bill including requirements to consult affected bodies, a requirement for an explanatory paper to Parliament including information on representations received and a requirement that such secondary legislation is subject to an affirmative vote in the Parliament.

John Baillie, Chairman