

Auditor General for Scotland – Terms and Conditions

Executive summary

1. The first Auditor General for Scotland, Robert Black who was appointed in 2000, has announced his intention to retire next year. Under the Parliament's Standing Orders, a cross-party selection panel is in the process of being established to recruit his replacement.

2. Under the Public Finance and Accountability (Scotland) Act 2000, as amended, the SPCB is required to determine the terms and conditions of appointment of the Auditor General. The SPCB is therefore invited to consider the starting salary and length of appointment to be offered to enable the post to be advertised.

Issues and Options

Starting Salary

3. In due course, we would invite the SPCB to consider commissioning a review to assess the salaries for officeholders taking account of market conditions and any changes in their job specifications. Ahead of such a review, given the need to proceed to advertise the post, we would invite the SPCB to consider a starting salary based on the current Auditor General's salary and those of his UK equivalents. The following table outlines the position:

UK Auditor Generals' salary ranges, expenditure and staffing numbers (as per annual reports 2010/11)

Jurisdiction	Remuneration £'000	Expenditure to 31.03.2011	Staff No
Scotland	145 – 150 ¹	£26.9m	275
England	210 - 215	£92.6m	880
Wales	150	£22.5m	253
N Ireland	135 - 140	£7.9m	135

4. Comparisons could also be made with other senior roles such as Local Authority Chief Executives or senior civil servants but given we have direct comparators for the Auditor General post, we consider it would be appropriate to benchmark the starting salary against the salary ranges given above taking into account their budgets and staff numbers. Based on the above information we would suggest a starting salary of £140,000. This is less than is paid to

¹ While the Auditor General is not on a salary range, his salary is shown by way of a banding in the annual accounts

the current officeholder, who has been in office for over 11 years and received annual pay awards (up to and including 2009).

5. The SPCB is invited to bear in mind that the Auditor General will be required to oversee Audit Scotland. The remuneration of senior post holders in Audit Scotland is shown in the following table:

Post	Remuneration £'000
Deputy Auditor General	130 - 135
Assistant Auditor General	105 - 110
Chief Officer	100 - 105

6. The salaries of Audit Scotland's senior staff have been set by Audit Scotland's Remuneration Committee.

7. Taking these matters into account, the SPCB may wish to consider a starting salary of £140,000. **Does the SPCB agree?**

Length of Appointment

8. One of the recommendations of the Review of SPCB Supported Bodies Committee in the last parliamentary session, and now contained in the Scottish Parliamentary Commissions, Commissioners etc Act 2010, is that officeholders should be appointed for a single term, up to a maximum of 8 years and not be eligible for reappointment.

9. Given the profile of this position, acting as a 'watchdog' over how public funds are spent, and to allow for maximum continuity, we would recommend the Auditor General should be appointed for 8 years. **Does the SPCB agree?**

Resource Implications

10. There are no resources implications for the SPCB in respect of the Auditor General's terms and conditions of appointment.

11. Under the PFA (Scotland) Act 2000, Audit Scotland is responsible for paying the salary and allowances of the Auditor General and any expenses incurred by the Auditor General in the exercise of his/her functions. This also includes the pension entitlement. It is the role of the Scottish Commission for Public Audit to examine Audit Scotland's proposals for the use of its resources and expenditure and report on them to the Parliament. Funding is made up of two elements, income from public bodies for audits of their financial reports (£21million) and direct funding from the Scottish Parliament (£5.9 million). Any reduction in salary costs will help reduce Audit Scotland's running costs.

Governance issues

12. There are no relevant equalities or governance issues as the Auditor General is an appointee.

Publication Scheme

13. This paper may be published following the publication of the recruitment advertisement.

Decision

14. The SPCB is invited to agree:

- (i) The starting salary of the new AGS being £140,000; and
- (ii) The length of appointment to be 8 years.

Officeholder Services
November 2011