

MEETING: 14 NOVEMBER 2019

MINUTES OF PREVIOUS MEETING

Minutes of the 461st meeting of the Accounts Commission held in the offices of Audit Scotland at 102 West Port, Edinburgh, on Thursday 10 October 2019, at 10.00am.

PRESENT: Graham Sharp (Chair)
 Andrew Burns
 Andrew Cowie
 Sheila Gunn
 Christine Lester
 Tim McKay
 Stephen Moore
 Sharon O'Connor
 Pauline Weetman
 Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
 Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
 Douglas Black, Audit Manager, PABV (items 11 and 12)
 Gemma Diamond, Audit Director, PABV (item 14)
 Asif Haseeb, Senior Manager, Audit Services (item 12)
 Robert Leask, Consultant, Audit Quality and Assurance (item 13)
 Mark McCabe, Audit Manager, PABV (item 10)
 Graeme Samson, Senior Auditor, Audit Services (items 11 and 12)
 David Sim, Senior Auditor, Audit Services (item 14)
 Gillian Woolman, Audit Director, Audit Services (items 11 and 12)

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Decisions on taking business in private
4. Minutes of meeting of 12 September 2019
5. Minutes of meeting of Financial Audit and Assurance Committee of 26 September 2019
6. Minutes of meeting of Performance Audit Committee of 26 September 2019
7. Audit Scotland board update
8. Update report by the Secretary to the Commission
9. Update report by the Controller of Audit
10. National Scrutiny Plan
11. Best Value Assurance Report: Scottish Borders Council
12. Best Value Assurance Report: Scottish Borders Council (in private)
13. New Code of Audit Practice and audit appointments (in private)
14. Housing Benefit Performance Audit Annual Report (in private)
15. Commission business matters

1. Apologies for absence

It was noted that apologies for absence had been received from Elma Murray and Sophie Flemig.

2. Declarations of interest

The following declarations of interest were made:

- Christine Lester, in item 13, being a volunteer adviser for Citizens Advice Bureau Moray.
- Geraldine Wooley, in item 8, being a member of the Fife Valuation Appeals Committee and a council tax payer in Fife and the City of Edinburgh, in relation to references to the relevant councils.

3. Decisions on taking business in private

It was agreed that items 12 to 15 be considered in private because:

- Item 12 requires the Commission to consider actions in relation to report by the Controller of Audit. The Commission is then obliged by statute to inform the council in question of its decisions, which the Commission does before making the decision public.
- Item 13 requires the Commission to discuss an update on the project relating to new audit appointments and a new Code of Audit Practice, which may require consideration of confidential policy matters.
- Item 14 requires the Commission to discuss a draft performance audit report in advance of publication.
- Item 15 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

No business was notified by members for item 15 and thus the Chair advised that the item would not require discussion.

4. Minutes of meeting of 12 September 2019

The minutes of the meeting of 12 September 2019 were approved as a correct record.

5. Minutes of the Financial Audit and Assurance Committee of 26 September 2019

The minutes of the meeting of the Financial Audit and Assurance Committee of 26 September 2019 were approved as a correct record.

6. Minutes of the Performance Audit Committee meeting of 26 September 2019

The minutes of the meeting of the Performance Audit Committee of 26 September were approved as a correct record.

7. Audit Scotland Board update

The Commission considered a report by the Secretary providing an update on the recent activity of the Audit Scotland Board.

Following discussion, the Commission noted the report.

8. Update report by the Secretary to the Commission

The Commission considered a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

During discussion, the Commission:

- In relation to paragraph 21, noted advice from the Secretary, in response to a query from Geraldine Wooley, that the Commission will retain an interest in the progress of the Scottish Elections (Reform) Bill and in particular any implications for local government finance.

Action: Secretary

- In relation to paragraph 98, noted advice from the Director of PABV, in response to a query from Sharon O'Connor, on how matters in relation to children with additional support needs features in the work programme and remains an area of monitoring for various policy clusters.
- In relation to paragraph 106, noted advice from Pauline Weetman of the Commission's interest in the review of local authority financial reporting and external audit in England chaired by Sir Tony Redmond, and noting the distinctiveness of the Best Value regime for Scottish local government and thus of the Commission's reporting responsibilities in this regard.

Following discussion, the Commission noted the report.

9. Update report by the Controller of Audit

The Commission noted a verbal update from the Controller of Audit on his recent activity.

The Commission in particular endorsed the Controller's thanks to appointed auditors for their work on their completion of the annual audit process across all local government bodies.

10. National Scrutiny Plan

The Commission considered a report by the Director of PABV providing for information the Strategic Scrutiny Group's National Scrutiny Plan for Local Government, which was published on 30 September 2019.

During discussion, the Commission noted that:

- The Plan summarises all planned and announced strategic scrutiny activity from September 2019.
- Noted advice from the Director, in response to a query from Stephen Moore, about the ongoing work arising from the Ministerial Advisory Group for Building and Fire Safety which was established by the Scottish Government after the Grenfell Tower tragedy.
- Noted further advice from the Director in this regard that he would keep the Commission updated through policy cluster briefings as appropriate.

Action: Director PABV

- Noted advice from the Director, in response to a query from Stephen Moore and Christine Lester, that he would ensure reference in the Appendix to the Commission's responsibilities in relation to integration joint boards.

Action: Director of PABV

- Noted advice from the Director, in response to a query from Christine Lester, that he would consider how to better reflect the roles and relationships of the Commission and Audit Scotland in future such publications of the National Scrutiny Plan.

Action: Director of PABV

- Noted advice from the Director, in response to various queries from members, that the Strategic Scrutiny Group continues to focus on managing the impact and workload on councils of scrutiny activity.

Following discussion, the Commission noted the report.

11. Best Value Assurance Report: Scottish Borders Council

The Commission considered a report by the Secretary to the Commission presenting the Controller of Audit's Best Value Assurance Report for Scottish Borders Council.

Following questions to the Controller of Audit, the Commission agreed to consider in private how to proceed.

12. Best Value Assurance Report: Scottish Borders Council (in private)

The Commission discussed how to proceed in relation to the Controller of Audit's Best Value Assurance Report for Scottish Borders Council

Following discussion, the Commission agreed to make findings, to be published on 22 October 2019.

Action: Secretary

13. New Code of Audit Practice and audit appointments (in private)

The Commission considered a report by the Secretary to the Commission providing an update on progress with audit appointments and a new Code of Audit Practice ('Code').

Following discussion, the Commission:

- Endorsed the Commission's governance arrangements for the project.
- Noted advice from the Commission Chair and Chair of Financial Audit and Assurance Committee on the assurance they continue to receive as members of the project Steering Group on contingencies in place in relation to various areas of risk in the exercise, including the project plan.
- Endorsed the principles underlying a new Code, including:
 - Those that should continue from the current to the new Code
 - Those that should change
 - Areas that required further consideration by the project Steering Group and thus onward consideration and endorsement by the Commission.
- Noted the updated position on procurement principles and the procurement strategy.
- Noted the further input required from the Commission in coming months.

Action: Secretary

14. Housing Benefit Performance Audit Annual Report (in private)

The Commission considered a report by the Director of PABV proposing a draft report setting out the outcome of housing benefit performance audit work for the year 2018/19.

Following discussion, the Commission:

- Approved the draft report, to be published on a date to be confirmed.
- Agreed publication and promotion arrangements for the report and future reporting in relation to benefits performance audit work.

Action: Secretary and Director of PABV

15. Commission business matters

The Chair, having advised that there was no business for this item, closed the meeting.