

MEETING: 11 AUGUST 2022

REPORT BY: SECRETARY TO THE COMMISSION

MINUTES OF PREVIOUS MEETING

Introduction

1. This paper presents for the Commission's approval the draft minutes of the previous meeting of the Commission along with a summary of matters arising from those minutes.

Minutes

2. The Commission agreed at its April meeting that matters arising from previous minutes be set out in a written report.
3. The minute of the previous meeting is in **Appendix 1**. A summary of matters arising is in **Appendix 2**.
4. Members should note that the action tracker – available on the member SharePoint site and also provided to members on a monthly basis – provides updates on progress from previous meetings.

Conclusion

5. The Commission is asked to:
 - a) Approve the attached draft minute of its previous meeting.
 - b) Note the summary of the matters arising, as well as any other updates provided at today's meeting.

Paul Reilly
Secretary to the Commission
27 July 2022

APPENDIX 1

Minutes of the 490th meeting of the Accounts Commission held via 'hybrid' (in-person and online) meeting, in the offices of Audit Scotland at 102 West Port, Edinburgh and online on Thursday 9 June 2022 at 9.30am.

PRESENT:

- * William Moyes (Chair)
- * Andrew Burns
- ** Andrew Cowie
- ** Sheila Gunn
- * Stephen Moore
- * Sharon O'Connor
- * Geraldine Wooley

- * In person
- ** Online

IN ATTENDANCE:

- Paul Reilly, Secretary to the Accounts Commission
- Antony Clark, Executive Director of Performance Audit and Best Value (PABV) and Interim Controller of Audit
- Michelle Borland, Business Manager, PABV (item 9)
- Rachel Browne, Senior Audit Manager, Audit Services Group (ASG) (items 7 and 15)
- Carol Calder, Interim Audit Director, PABV (items 16, 19 and 20)
- Morag Campsie, Senior Manager, PABV (item 19)
- Blyth Deans, Audit Manager, PABV (item 16)
- Gemma Diamond, Audit Director, PABV (items 9 and 19)
- Carole Grant, Audit Director, ASG (items 7, 8 and 15)
- David Love, Senior Auditor, PABV (items 7 and 15)
- Christopher McClelland, Senior Auditor, PABV (items 7 and 15)
- David Sim, Benefit Performance Auditor, PABV (item 8)
- Lindsay Stother, Audit Officer, PABV (items 7 and 15)
- Graeme West, Senior Data Analyst, PABV (item 19)

<u>Item</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Order of business
4.	Minutes of meeting of 12 May 2022
5.	Minutes of meetings of Commission committees of 26 May 2022
6.	Audit Scotland Board update
7.	Best Value Assurance Report: Angus Council
8.	Housing benefit performance audit
9.	Strategy and work programme: Work programme update
10.	Commission meeting arrangements 2023
11.	Secretary's update report
12.	Chair's update report
13.	Interim Controller of Audit's update report
14.	Any other public business
15.	Best Value Assurance Report: Angus Council (in private)
16.	Local Government Overview – proposal for future reports (in private)
17.	Draft annual report 2021/22 (in private)
18.	Members' Code of Conduct (in private)
19.	Digital audit overview and update (in private)
20.	Strategic Scrutiny Group – future direction (in private)
21.	Any other private business (in private)

1. Apologies for absence

It was noted that apologies for absence had been received from Sophie Flemig, Christine Lester and Tim McKay.

2. Declarations of interest

The following declaration of interest was noted:

- Geraldine Wooley, in item 11, as a member of Fife Valuation Appeals Committee, in relation to references to the Fiscal Commission and non-domestic rates.

3. Order of business

It was agreed that the following items be considered in private:

- Item 15 required the Commission to consider actions in relation to a report by the Interim Controller of Audit. The Commission is then obliged by statute to inform the appropriate council of its decisions, which the Commission does before making the decision public.
- Item 16 required the Commission to consider confidential policy matters.
- Item 17 proposed a draft report for the Commission to consider in private before publishing.
- Item 18 required the Commission to consider its Code of Conduct and thus affecting the business and conduct of Commission members, which the Commission may wish to discuss in private before publishing.
- Item 19 required the Commission to consider confidential policy matters and data which belongs to Audit Scotland and is not in the public domain.
- Item 20 required the Commission to consider confidential policy matters.

The Chair advised that there was no business for item 21.

4. Minutes of meeting of 12 May 2022

The Commission considered a report by the Secretary presenting the minutes of the meeting of 12 May 2022, including a summary of business arising from those minutes.

The Commission:

- Approved the minutes as a correct record.
- Noted the summary of the matters arising.

5. Minutes of meetings of Commission committees of 26 May 2022

The Commission considered a report by the Secretary presenting the minutes of the meetings of the Commission's committees of 26 May

The Commission:

- Approved the minutes as a correct record.
- Approved the following recommendation of the Financial Audit and Assurance Committee:

- That matters in relation to the appointment of Depute Monitoring Officers by Comhairle nan Eilean Siar be considered for reporting publicly by the Commission following publication of the annual audit report for 2021/22 (item 4 of the minutes).

Action: Secretary

- Approved the following recommendations of the Performance Audit Committee (item 4 of the minutes, i.e. the impact of Covid-19 and the increasing cost of living on service delivery and the financial sustainability of councils):

- It consider how contingency planning features in its work programme.

Action: Executive Director of PABV & Secretary

- It seek advice from the Improvement Service on what activities it is planning for councils in relation to this matter, including the scope for joint working with the Commission.

Action: Executive Director of PABV & Secretary

- The Executive Director of PABV report, as part of the Commission's consideration of the work programme, on how audit work and reporting reflect:

- the experience of vulnerable people
- the experience of the third sector in its engagement with local government and provision of services
- how to present a concept of a 'post-pandemic council' including an acknowledgement of risks around the sustainability of councils after the exhaustion of the additional resources received to respond to the pandemic.

Action: Executive Director of PABV

- To demonstrate the Commission's leading role in providing independent assurance in this regard, the work programme feature more blogs and opinion pieces.

Action: Executive Director of PABV

- It consider how to make use of previous published Commission reports on arm's-length external organisations to help highlight the financial pressures faced by such bodies.

Action: Executive Director of PABV & Secretary

- The Chair and Secretary give further thought to how the Commission's position in this regard is more effectively communicated and promoted, including:

- how the paper could be used in published format
- how such matters feature in stakeholder engagement events.

Action: Secretary

6. Audit Scotland Board update

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

During discussion, the Commission:

- Agreed that the paper referred to in item 12 of the minute (i.e. Audit Scotland 2022/23 operational budget) be provided to Commission members.

Action: Secretary

Following discussion, the Commission noted the report.

7. Best Value Assurance Report: Angus Council

The Commission considered a report by the Secretary presenting the Interim Controller of Audit's Best Value Assurance Report on Angus Council.

Commission members raised several questions and points of clarification from the Interim Controller of Audit and his team on his report in the following areas:

- Progress with developing a long-term financial planning framework (raised by Andrew Burns).
- Social housing (Sheila Gunn).
- Workforce planning (Andrew Cowie).
- Prioritisation of the Interim Controller's recommendations (William Moyes).
- Prospects for the delivery of planned improvements by the Council (William Moyes).
- Budget underspends (Stephen Moore).
- The profile of climate change matters in community engagement activities by the Council and community planning partnership (Sharon O'Connor).
- Assessments of the Council by other inspection and regulation bodies (Stephen Moore).
- Performance of the Integration Joint Board (Stephen Moore)
- Elected member leadership and priorities (Geraldine Wooley).
- Shape and content of the Council Plan (William Moyes).

Following discussion, the Commission agreed:

- To consider in private how to proceed.
- That the Interim Controller consider how to prioritise his recommendations in future reports.

Action: Interim Controller of Audit

- That the Interim Controller of Audit consider how to present risks to vulnerable people in future reports.

Action: Interim Controller of Audit

- Agreed that the following information in response to questions from members be provided by the Controller for publishing on the Commission website:
 - Length of proposed long-term financial planning framework
 - Profile of climate change matters in community engagement activities by the Council and community planning partnership.

Action: Interim Controller of Audit and Secretary

8. Housing benefit performance audit

The Commission considered a report by the Audit Director, Audit Services Group, providing an update on the housing benefit performance audit work carried out in 2022/23; advising of the scope for the previously agreed thematic study for 2022/23 on 'Resourcing the benefit service' and seeking approval; and proposing a way forward for the Commission's work in this regard.

Following discussion, the Commission:

- Noted the housing benefit performance audit work carried out.
- Agreed the scope for the 'Resourcing the benefit service' thematic study, including matters relating to the deployment of benefits staff into other areas of financial assessment.
- Agreed a timeline to enable an electronic survey tool to be procured.
- Agreed that sponsors of this work be Andrew Burns and Andrew Cowie.

Action: Audit Director, Audit Services Group

9. Work programme update

The Commission considered a report by the Executive Director of PABV proposing the latest update to the joint Commission and Auditor General for Scotland work programme.

During discussion, the Commission:

- Agreed that the Executive Director report on how service user experience features in work across the work programme.

Action: Executive Director of PABV

- Agreed that it consider how cross-cutting issues feature in audit sponsor planning.

Action: Secretary

- Agreed, in noting plans for future work on drug and alcohol services, to consider how the work programme features other addiction matters such as gambling.

Action: Executive Director of PABV

- Agreed that the Executive Director report on options for future work on children and adolescent mental health services.

Action: Executive Director of PABV

Following discussion, the Commission:

- Noted the progress delivering the work programme from March 2022 to May 2022.
- Endorsed the planned products up to December 2022.
- Agreed the proposed changes to the programme.

Action: Executive Director of PABV

- Agreed to delegate to the Chair and Interim Deputy Chair final approval for this update in conjunction with the Auditor General for Scotland.

Action: Executive Director of PABV

- Noted the progress of proposals for impact monitoring, evaluation and reporting, upon which the Executive Director would report further.

Action: Executive Director of PABV

- Further in this regard, agreed to endorse the importance to the Commission of this work, and thus the need for further consideration of and input into its development, including as appropriate in conjunction with the Auditor General and as part of the Commission's Change Programme.

Action: Secretary and Executive Director of PABV

- Noted progress on the provision of resource information in future management and reporting of the work programme.

10. Commission meeting arrangements 2023

The Commission considered a report by the Secretary proposing meeting arrangements for the Commission for 2023.

Following discussion, the Commission:

- Agreed the proposed schedule and arrangements for meetings of the Commission and its committees in 2023.

Action: Secretary

- Agreed that the Secretary present proposals for the Commission holding meetings in a community setting.

Action: Secretary

- Agreed that the Secretary report further on progress with the Commission member development programme.

Action: Secretary

11. Secretary's update report

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.

The Commission noted advice from the Secretary that, in line with the approach agreed with Commission members, members had been given the opportunity to provide queries on the Secretary's report in advance of the meeting, a response to which he would circulate to members.

Following discussion, the Commission:

- Agreed its approach to the Scottish Parliament and Scottish Government's consultation exercises as proposed in the report.

Action: Secretary

- Noted advice from the Secretary that he was still liaising with Audit Scotland colleagues on whether the Commission responds to the Scottish Government consultation on its first data strategy for health and social care, upon which he would report further.

Action: Secretary

- Noted the report.

12. Chair's update report

The Commission considered and noted a report by the Chair providing an update on recent and upcoming activity.

13. Interim Controller of Audit's update report

The Commission considered and noted a report by the Interim Controller of Audit providing an update on recent and upcoming activity.

14. Any other public business

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

The livestream of the meeting was stopped at this point.

15. Best Value Assurance Report: Angus Council (in private)

The Commission discussed how to proceed in relation to the Interim Controller of Audit's Best Value Assurance Report on Angus Council.

Following discussion, the Commission agreed to make findings to be published on 5 July 2022.

16. Local Government Overview – proposal for future reports (in private)

The Commission considered a report by the Executive Director of PABV proposing a revised approach to reporting financial performance through the Financial Local Government Overview to start in 2022/23 and seeking commitment to continuing with and concluding the three-year strategy of Covid-19 overview reporting as agreed in March 2020.

Following discussion, the Commission:

- Approved the proposal to move to a streamlined 'facts and figures' style Financial Local Government Overview output alongside the Local Government Overview 2023.

Action: Executive Director of PABV

- Agreed to continue with the series of Covid-19 reports agreed in 2020, building on the conclusions of the 2021 and 2022 overviews.

Action: Executive Director of PABV

- Agreed that options for new models of overview reporting which reflect the Commission's emerging new priorities and consider the potential impact of the new fully integrated approach to local government Best Value auditing on future overview reporting be brought for consideration by the Commission later in the year.

Action: Executive Director of PABV

17. Draft annual report 2021/22 (in private)

The Commission considered a report by the Secretary proposing the Commission's annual report for 2021/22 and associated publication arrangements.

Following discussion, the Commission:

- Approved the draft annual report 2021/22, subject to the drafting team addressing points raised in discussion.
- Approved the publication arrangements for the annual report, to be published on 29 June.

Action: Secretary

18. Members' Code of Conduct (in private)

The Commission considered a report by the Secretary proposing an updated Code of Conduct for Commission members, based upon the new model Code agreed by Scottish Ministers.

Following discussion, the Commission:

- Agreed the Code of Conduct for Commission members, for submission to Ministers for approval.

Action: Secretary

- Noted that the Secretary would report back on progress.

Action: Secretary

- Noted that the Secretary would report back on the practical application of the Code.

Action: Secretary

- Noted that the Model Code applies from today's Commission meeting.

Action: Secretary

- Noted the relevance of the UK Corporate Governance Code.

19. Digital audit overview and update (in private)

The Commission considered a report by the Audit Director, PABV, providing an overview of progress against Audit Scotland's digital audit strategy and future plans.

Gemma Diamond and Graeme West undertook an additional presentation.

During discussion, the Commission:

- Noted the Commission's strategic commitment to making better use of data in its reporting, and thus its continued interest in the Local Government Benchmarking Framework, Community Planning Outcomes Profile and Local Government Data Portal.

Following discussion, the Commission:

- Noted the update and presentation.
- Agreed to maintain an interest in the strategy, with updates to the Commission as appropriate.

Action: Audit Director, PABV

20. Strategic Scrutiny Group – future direction (in private)

The Commission considered a report by the Interim Audit Director, PABV, and Secretary to the Strategic Scrutiny Group proposing the future direction and purpose of the Strategic Scrutiny Group.

Following discussion, the Commission agreed that the matter be considered further at a future meeting.

Action: Secretary and Interim Audit Director, PABV

21. Any other private business

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

Close of meeting

The meeting closed at 2.35pm.

Matters Arising – June 2022 Commission Meeting

Action	Action by:	Update
5 Minutes of meetings of Commission committees of 26 May 2022		
Approved the recommendation of the Financial Audit and Assurance Committee that matters in relation to the appointment of Depute Monitoring Officers by Comhairle nan Eilean Siar be considered for reporting publicly by the Commission following publication of the annual audit report for 2021/22.	Secretary	This will be considered by the Commission in Autumn following publication of the annual audit report for 2021/22.
Approved the following recommendations of the Performance Audit Committee relating to the impact of Covid-19 and the increasing cost of living on service delivery and the financial sustainability of councils:		
It consider how contingency planning features in its work programme	Executive Director of PABV & Secretary	This will be considered by the Executive Director and reported in the next quarterly update of the work programme at the September meeting.
It seek advice from the Improvement Service on what activities it is planning for councils in relation to this matter, including the scope for joint working with the Commission.	Executive Director of PABV & Secretary	This will be discussed in forthcoming engagement with the Improvement Service.

Action	Action by:	Update
<p>The Executive Director of PABV report, as part of the Commission's consideration of the work programme, on how audit work and reporting reflect:</p> <ul style="list-style-type: none"> • the experience of vulnerable people • the experience of the third sector in its engagement with local government and provision of services • how to present a concept of a 'post-pandemic council' including an acknowledgement of risks around the sustainability of councils after the exhaustion of the additional resources received to respond to the pandemic. 	Executive Director of PABV	These issues will be considered by the Executive Director as part of ongoing work programme development work which is routinely reported to the Commission.
<p>To demonstrate the Commission's leading role in providing independent assurance in this regard, the work programme feature more blogs and opinion pieces.</p>	Executive Director of PABV	<p>Where appropriate blogs and opinion pieces on these, and other relevant topics, will be proposed for inclusion in the Commission's work programme. This has already begun. For example, Stephen Moore's blog on children and young people with additional support needs, and Geraldine Wooley's blog on the negative equality impacts of Covid-19.</p>
<p>It consider how to make use of previous published Commission reports on arm's-length external organisations to help highlight the financial pressures faced by such bodies.</p>	Executive Director of PABV & Secretary	This will be considered by the Executive Director as part of ongoing work programme development work which is routinely reported to the Commission.

Action	Action by:	Update
<p>The Chair and Secretary give further thought to how the Commission's position in this regard is more effectively communicated and promoted, including:</p> <ul style="list-style-type: none"> • how the paper could be used in published format • how such matters feature in stakeholder engagement events. 	Secretary	<p>This theme is to feature in initiatives such as the recent joint workshop with the Improvement Service for councillors on 3 August and in the proposed symposium event (discussed elsewhere on today's agenda).</p>
6. Audit Scotland Board update		
<p>Agreed that the paper referred to in item 12 of the minute (i.e. Audit Scotland 2022/23 operational budget) be provided to Commission members.</p>	Secretary	<p>This paper is available on the members SharePoint site.</p>
7. Best Value Assurance Report: Angus Council		
<p>Agreed that the Interim Controller consider how to prioritise his recommendations in future reports.</p>	Interim Controller of Audit	<p>Improvement recommendations will be presented in priority order by the interim Controller of Audit (CoA) in all future Best Value Assurance Reports (BVARs).</p>
<p>Agreed that the Interim Controller of Audit consider how to present risks to vulnerable people in future reports.</p>	Interim Controller of Audit	<p>Where appropriate and relevant, these issues will be clearly set out by by the interim Controller of Audit (CoA) in all future Best Value Assurance Reports (BVARs).</p>
<p>Agreed that the following information in response to questions from members be provided by the Controller for publishing on the Commission website:</p> <ul style="list-style-type: none"> • Length of proposed long-term financial planning framework • Profile of climate change matters in community engagement activities by the Council and community planning partnership. 	Interim Controller of Audit and Secretary	<p>This information was provided to members and was placed on the Commission website.</p>

Action	Action by:	Update
8. Housing benefit performance audit		
<p>Agreed the scope for the 'Resourcing the benefit service' thematic study, including matters relating to the deployment of benefits staff into other areas of financial assessment.</p> <p>Agreed a timeline to enable an electronic survey tool to be procured.</p> <p>Agreed that sponsors of this work be Andrew Burns and Andrew Cowie.</p>	<p>Audit Director, Audit Services Group</p>	<p>The work is now being taken forward and will be reported in line with the agreed plan.</p>
9. Work programme update		
<p>Agreed that the Executive Director report on how service user experience features in work across the work programme.</p>	<p>Executive Director of PABV</p>	<p>A paper on this topic will be brought for consideration to a future Commission meeting.</p>
<p>Agreed that it consider how cross-cutting issues feature in audit sponsor planning.</p>	<p>Secretary</p>	<p>This will feature in the conclusion of the ongoing review of audit sponsor guidance, to be approved by Commission members at a future meeting of members.</p>
<p>Agreed, in noting plans for future work on drug and alcohol services, to consider how the work programme features other addiction matters such as gambling.</p>	<p>Executive Director of PABV</p>	<p>This issue will be considered when scoping work takes place on any future drug and alcohol-related performance audit work.</p>
<p>Agreed that the Executive Director report on options for future work on children and adolescent mental health services.</p>	<p>Executive Director of PABV</p>	<p>This issue will be considered by the Executive Director as part of ongoing work programme development work which is routinely reported to the Commission.</p>
<p>Agreed the proposed changes to the programme.</p>	<p>Executive Director of PABV</p>	<p>This has been actioned.</p>
<p>Agreed to delegate to the Chair and Interim Deputy Chair final approval for this update in conjunction with the Auditor General for Scotland.</p>	<p>Executive Director of PABV</p>	<p>This has been actioned.</p>
<p>Noted the progress of proposals for impact monitoring, evaluation and reporting, upon which the Executive Director would report further.</p>	<p>Executive Director of PABV</p>	<p>A further paper on this topic will be brought for consideration to a future Commission meeting</p>

Action	Action by:	Update
Further in this regard, agreed to endorse the importance to the Commission of this work, and thus the need for further consideration of and input into its development, including as appropriate in conjunction with the Auditor General and as part of the Commission's Change Programme.	Secretary and Executive Director of PABV	Proposals being taken forward and will be discussed with the Commission as appropriate.
10. Commission meeting arrangements 2023		
Agreed the proposed schedule and arrangements for meetings of the Commission and its committees in 2023.	Secretary	Schedule in place.
Agreed that the Secretary present proposals for the Commission holding meetings in a community setting.	Secretary	To be reported to a future meeting.
Agreed that the Secretary report further on progress with the Commission member development programme.	Secretary	To be reported to a future meeting.
11. Secretary's update report		
Agreed its approach to the Scottish Parliament and Scottish Government's consultation exercises as proposed in the report.	Secretary	Progressed as agreed.
Noted advice from the Secretary that he was still liaising with Audit Scotland colleagues on whether the Commission responds to the Scottish Government consultation on its first data strategy for health and social care, upon which he would report further.	Secretary	Reported in today's Secretary update report.
16. Local Government Overview – proposal for future reports		
Approved the proposal to move to a streamlined 'facts and figures' style Financial Local Government Overview output alongside the Local Government Overview 2023.	Executive Director of PABV	This will be actioned when taking forward the new style Financial Local Government Overview in 2023.
Agreed to continue with the series of Covid-19 reports agreed in 2020, building on the conclusions of the 2021 and 2022 overviews.	Executive Director of PABV	This will be actioned when work on the the Local Government Overview 2023 takes place later in 2022.

Action	Action by:	Update
<p>Agreed that options for new models of overview reporting which reflect the Commission's emerging new priorities and consider the potential impact of the new fully integrated approach to local government Best Value auditing on future overview reporting be brought for consideration by the Commission later in the year.</p>	<p>Executive Director of PABV</p>	<p>A paper on this topic will be brought for consideration to a future Commission meeting.</p>
<p>17. Draft annual report 2021/22</p>		
<p>Approved the draft annual report 2021/22, subject to the drafting team addressing points raised in discussion.</p> <p>Approved the publication arrangements for the annual report, to be published on 29 June.</p>	<p>Secretary</p>	<p>Annual report published on 29 June.</p>
<p>18. Members' Code of Conduct</p>		
<p>Agreed the Code of Conduct for Commission members, for submission to Ministers for approval.</p>	<p>Secretary</p>	<p>Ministers have approved the Code.</p>
<p>Noted that the Secretary would report back on progress.</p>	<p>Secretary</p>	<p>Ditto.</p>
<p>Noted that the Secretary would report back on the practical application of the Code.</p>	<p>Secretary</p>	<p>To be reported to a future meeting.</p>
<p>Noted that the Model Code applies from today's Commission meeting.</p>	<p>Secretary</p>	<p>New approach in place.</p>
<p>19. Digital audit overview and update</p>		
<p>Agreed to maintain an interest in the strategy, with updates to the Commission as appropriate</p>	<p>Audit Director, PABV</p>	<p>Reports as appropriate to a future meeting.</p>
<p>20. Strategic Scrutiny Group – future direction</p>		
<p>Agreed that the matter be considered further at a future meeting</p>	<p>Secretary and Interim Audit Director, PABV</p>	<p>To be considered at September Commission meeting.</p>