

Minutes of previous meeting

Policy Manager, Accounts Commission

Item 4
Meeting date: 9 March 2023

Purpose

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.

Recommendations

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

Minutes

3. The minute of the previous meeting is in Appendix 1. A summary of matters arising from the February Commission meeting is attached 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.

Minutes

Thursday 9 February 2023, 9.30am
Audit Scotland offices, 102 West Port,
Edinburgh, and online via Microsoft Teams
496th meeting of the Accounts Commission

Present:

William Moyes (Chair)
Malcolm Bell
Nichola Brown
Andrew Burns
Andrew Cowie
Sophie Flemig
Sheila Gunn*
Jennifer Henderson
Christine Lester
Ruth MacLeod*
Tim McKay
Geraldine Wooley*

* Online attendance

Apologies:

Paul Reilly, Secretary to the Commission

In attendance:

Blyth Deans, Senior Manager, Performance Audit and Best Value (PABV)
Helena Gray, Controller of Audit
Martin McLauchlan, Policy Manager, Accounts Commission
Martin Allan, Auditor, PABV (item 12)
Vicki Bibby, Chief Operating Officer (item 15)
Michelle Borland, Business Manager, PABV (items 13 and 15)
Adam Bullough, Audit Manager, PABV (item 12)
Fiona Caffyn, Correspondence Officer, PABV (item 12)
Carol Calder, Audit Director, PABV (item 12)
Antony Clark, Executive Director of PABV (items 7, 12 and 13)
Gemma Diamond, Director of Innovation and Transformation (item 13)
Fiona Diggle, Audit Manager, PABV (item 7)
Andrew Dixon, Audit Officer, PABV (item 12)
Karen Fitzsimons, Business Jigsaw (item 15)
Carole Grant, Audit Director, Audit Services Group (ASG) (item 6)
Lucy Jones, Senior Auditor, PABV (item 12)
Chris Lewis, Senior Auditor, PABV (item 12)
Lisa McNeely, Trainee Auditor, PABV (item 12)
Kenny Oliver, Executive Director of Innovation and Quality (item 14)
Niamh Pritchard, Trainee Auditor, PABV (item 12)
Richard Robinson, Senior Manager, PABV (item 7)
David Sim, Benefit Performance Auditor (item 6)
Joanna Mansell, Communications Adviser (Item 12)

1. Apologies for absence

It was noted that apologies for absence had been received from Paul Reilly (Secretary).

2. Declaration of connections

Christine Lester declared connections related to Items 6 and 12, neither of which required her to recuse herself from discussions related to those items.

3. Order of business

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

- Item 12, as it required the Commission to consider emerging messages from a performance audit report which may require consideration of confidential audit matters in advance of further audit work.
- Items 13 to 15, as they required the Commission to consider confidential policy matters.

The Chair advised that Item 6 on the agenda would be the first item considered, due to staff availability, and that there was no business for item 16.

4. Minutes of meeting of 12 January 2023

The Commission considered a report by the Policy Manager presenting the minutes of the meeting of 12 January 2023, 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. Audit Scotland Board update

The Commission considered a report by the Policy Manager (introduced by the Chair) providing an update on the activities of the Audit Scotland Board.

During discussion, the Commission:

- Received an update from the Chair on the progress of the Partnership Working framework and, in response to a query from Malcolm Bell, Audit Scotland's Estates Strategy.

The Commission noted the report.

6. Resourcing the benefit service thematic study

The Commission considered a report by the Audit Director and Benefit Performance Auditor, Audit Services Group (ASG) inviting the Commission to consider the draft Housing Benefit thematic study, Resourcing the benefit service.

During discussion, the Commission:

- Considered comments from the Chair on the importance of the report setting out why the speed of processing benefit claims matters, and that this should be reflected in the key messages.
- Noted comments from Andrew Burns as a project sponsor, thanking the audit team for their work and confirming his support for the key messages and recommendations.
- Noted, in response to a query from Malcolm Bell, advice on the number of councils that responded to the online questionnaire as part of the study, and the reasons for the response rate achieved.
- Considered comments from Andrew Cowie on the importance of the early identification of sponsors as part of the next iteration of work in this area.
- Considered comments from Christine Lester on the value of customer feedback as part of work in this area in future reports.
- Advised of some minor drafting amendments and discussed the potential need to consider the presentation and wording of the report's key messages and recommendations, delegating this to the Commission sponsors and audit team.

Following discussion, the Commission:

- Approved the report for publication, subject to the points raised above being addressed.
- Approved that the annual update be published as a blog on the Commission website and agreed that the audit team will work with the Commission sponsors to finalise the content.

Action: In conjunction with the Commission sponsors, finalise the thematic study and annual update for publication (Audit Director, ASG)

7. Briefing on the 2023/24 Scottish Budget

The Commission considered a report by the Executive Director of PABV presenting the key facts and figures from the 2023/24 Scottish budget and the main messages this includes for local government.

During discussion, the Commission:

- Noted, in response to a query from Jennifer Henderson and points raised by Andrew Cowie, advice on the underlying risk profile of elements of the budget, including the proposed National Care Service, and the overall need for transformational reform.
- Noted, in response to a query from Tim McKay, advice on elements of the budget, and how specific items impact national and local government funding.
- Noted, in response to points raised by Christine Lester, the budget analysis from COSLA and the importance of lessons learned from Health and Social Care integration; and how these may be applied to the development of the National Care Service.
- Noted a series of points raised by Sophie Flemig, Malcolm Bell and Nichola Brown in relation to the importance of joint working and reform; transformational change and how

this is influenced by the interpretation of the discretionary and statutory status of specific services; and human rights based budgeting.

Following discussion, the Commission noted the briefing.

8. Secretary's update report

The Commission considered a report by the Policy Manager 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 Policy Manager 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. No queries were received but anything arising from the meeting will be circulated in due course to members.

During discussion, the Commission:

- Considered the reporting process, proposed content, and the continued opportunity to shape the content of the revised report itself, to meet their requirements.
- Noted that additional information may be beneficial in relation to specific items, such as consultation responses.

Following discussion, the Commission:

- Agreed to the revised reporting process outlined in the report.
- Noted and agreed not to respond to the consultations highlighted in paragraphs 58, 59 and 60.
- Noted and agreed to a response to the consultation highlighted in paragraph 61 being prepared for their consideration by the Commission Support Team.
- Noted the report.

9. Chair's update report

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

10. Controller of Audit's update report

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

11. Any other public business

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

12. Emerging messages – Local Government Overview 2023

The Commission considered a report by the Executive Director of PABV inviting the Commission to consider emerging messages from the Local Government Overview 2023 audit work.

During discussion, the Commission:

- Agreed the tone, content and coverage of the emerging messages was appropriate.
- Considered comments from the Chair, Sheila Gunn and Malcom Bell related to workforce, including pay differentials; hybrid and homeworking; and the availability and affordability of housing stock.
- Considered comments from Andrew Cowie on the need to consider longer-terms trends and wider public sector reforms.
- Considered comments from Christine Lester on the need to reflect 'pace' within the eventual report recommendations, and from Geraldine Wooley on the need to consider funding and local taxation when formulating the Key Messages and Recommendations.
- Noted, in response to a query from Christine Lester, the advice on how local government is defined within the coverage of the overview report.
- Noted advice on the planned communication strategy from the Communications Adviser, and how the impact of the report can be maximised.

Following discussion, the Commission:

- Agreed that consideration of the report structure, further messages and tone, as work progresses, is undertaken through discussion with the Chair and Interim Deputy Chair, as sponsors.
- Agreed that a draft report be brought to the Commission meeting in April 2023 prior to publication in May 2023.

Action: Executive Director PABV

- Agreed that a draft communications strategy be brought to the Commission ahead of, or alongside, the draft report.

Action: Executive Director PABV

13. Strategy and work programme: Work programme strategic review

The Commission considered a report by the Executive Director of PABV introducing a further draft of the strategic review of the dynamic work programme.

During discussion, the Commission:

- Provided feedback on the presentation of the report and noted, in response to comments from Geraldine Wooley, that further work to clarify how proposed outputs to the Commission's strategy and priorities is ongoing.

- Considered comments from Andrew Cowie on proposed work on infrastructure assets, and the importance of specific projects within this.
- Considered comments from Jennifer Henderson on the impact of outputs related to the timing and currency of proposed work.

Following discussion, the Commission:

- Agreed the revised context for the work programme.
- Agreed the redeveloped public audit response outlined and noted that this content can form part of the Commission's planned stakeholder consultation later this year.
- Noted the audit work planned from April 2023 to March 2025.

14. Audit quality arrangements

The Commission considered a report by the Executive Director of Innovation and Quality outlining the audit quality arrangements within Audit Scotland and providing a general update on the activities of the Quality function within Innovation and Quality (I&Q).

During discussion, the Commission:

- Welcomed the report and overall focus on quality arrangements as part the work of I&.
- Considered comments by Sophie Flemig on the inherent tensions between quality and innovation, and the opportunities arising from innovation.
- Noted advice, in response to queries from Andrew Cowie and Tim McKay, on how quality targets were set and how Audit Scotland arrangements apply to (and interact with) those of other appointed auditors.
- Considered comments from Nichola Brown on the importance of culture and learning and development in supporting audit quality arrangements.

Following discussion, the Commission:

- Noted the substance of the quality arrangements document.
- Noted the general update on I&Q quality-related activities.

15. Update on Public Audit in Scotland

The Commission considered a report by the Chief Operating Officer providing an update on progress with refreshing Public Audit in Scotland.

During discussion, the Commission:

- Noted the initial results of stakeholder consultation and engagement activity.
- Agreed that it would be beneficial to consider the results in more detail to inform feedback on the Commission's collective view of proposed vision, mission and outcomes statements.

Following discussion, the Commission:

- Noted progress made on developing draft vision and mission statements, areas for outcomes and the consultation phase of the project.
- Noted plans to develop an impact measurement model in line with the longer-term impact level of the new impact monitoring, evaluation and reporting framework.
- Agreed to hold a joint session of the Commission's standing committees to provide detailed feedback on the information presented later in February 2023.

Action: Policy Manager

16. 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 12.15pm.