

# Minutes of previous meeting

Policy Manager, Accounts Commission

**Item 4**  
Meeting date: 13 April 2023

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## 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 March 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 March 2023, 9.30am  
Audit Scotland offices, 102 West Port,  
Edinburgh, and online via Microsoft Teams  
497<sup>th</sup> meeting of the Accounts Commission

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## 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, Interim Secretary to the Commission  
Helena Gray, Controller of Audit  
Martin McLauchlan, Policy Manager, Accounts Commission  
Michelle Borland, Head of Organisational Improvement (items 6 and 16)  
Finlay Brown, Trainee Auditor, Performance Audit and Best Value (PABV) (item 11)  
Adam Bullough, Audit Manager, PABV (item 11)  
Carol Calder, Audit Director, PABV (items 11, 12 and 17)  
Tom Charman, Auditor, PABV (item 15)  
Antony Clark, Executive Director of PABV (items 6, 11, 12, 13, 15, 16 and 17)  
Nathalie Cornish, Audit Officer, PABV (item 14)  
Gemma Diamond, Director of Innovation and Transformation (items 6, 14 and 16)  
Jacqueline Farmer, Senior Auditor, Audit Services (item 14)  
Chris Holgate, Audit Officer, PABV (item 11)  
Lucy Jones, Audit Manager, PABV (item 17)  
Christopher Lewis, Senior Auditor, PABV (item 12)  
Mark MacPherson, Audit Director, PABV (item 13)  
Fiona Mitchell-Knight, Audit Director, Audit Services (Item 11)  
Ashleigh Madjitey, Audit Manager, PABV (item 15)  
Joanna Mansell, Communications Adviser (items 14, 16 and 17)  
Jillian Matthew, Senior Manager, PABV (item 14)  
Tricia Meldrum, Senior Manager, PABV (item 13)  
Gordon Robertson, L&D Assistant Manager (item 14)  
Richard Robinson, Senior Manager, PABV (item 15)  
Kathrine Sibbald, Senior Manager, PABV (item 11)  
Rebecca Smallwood, Audit Manager, PABV (item 13)

Mark Taylor, Audit Director, PABV (item 6)  
Catherine Young, Senior Manager, PABV (item 16)

## 1. Apologies for absence

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

## 2. Declaration of connections

The Controller of Audit declared an interest relating to her prior employment in relation to Item 16 but will not be required to recuse herself.

## 3. Order of business

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

- Items 11 and 17, as they required the Commission to consider confidential policy matters.
- Items 12 to 15, as they required the Commission to consider draft publications which the Commission are to consider in private before publishing.
- Item 16, as it required the Commission to consider confidential policy matters and a draft publication which the Commission is to consider in private before publishing.

The Chair advised that there was no business for item 18.

## 4. Minutes of meeting of 9 February 2023

The Commission considered a report by the Policy Manager presenting the minutes of the meeting of 9 February 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. Minutes of meetings of Commission committees of 23 February 2023

The Commission considered a report by the Policy Manager presenting the minutes of the meetings of the Commission's committees of 23 February 2023.

The Commission:

- Approved the minutes as a correct record.
- Noted that there were no specific recommendations made by either committee.

## 6. Strategy and work programme: Work programme update – March 2023

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

During discussion, the Commission:

- Following a query from Tim McKay, noted an update on the progress of the nature and granularity of costings that can be presented to the Commission, including presenting the opportunity cost of project selection.
- Noted an update from Antony Clark on the absence of How Councils Work from the paper presented, and that the future of this work is a decision for the Commission.
- Noted, in response to a point raised by Andrew Cowie, the importance of the pace of change in the external environment and how this impacts on the work programme.
- Noted, in response to Christine Lester, that there may be a requirement to do further audit work on Health and Social Care Integration, including highlighting lessons learned.
- Noted Andrew Burns' concern as to the volume of future work planned, and Antony Clark emphasising the opportunity presented by the Commission's Strategy Seminar to further align planned work to Commission's strategic priorities.

Following discussion, the Commission:

- Noted the progress delivering the work programme from December 2022 to February 2023.
- Noted the planned products up to August 2023.

## 7. Secretary's update report

The Commission considered a report by the Interim Secretary providing an update on significant recent activity relating to local government.

The Commission noted advice from the Interim 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. No queries were received but anything arising from the meeting will be circulated in due course to members.

During discussion, the Commission:

- Noted in response to a request from Christine Lester, that the Interim Secretary has given an undertaking to provide an update on the status of public sector pay settlements.

*Action: Interim Secretary*

- Noted in response to queries and comments from Tim McKay, Sheila Gunn and Sophie Flemig, developments around Audit Scotland's user engagement strategy development.

Following discussion, the Commission:

- Noted the report.
- Noted and agreed not to respond to the consultation on Community Wealth Building highlighted in paragraph 55.

- Noted and agreed not to respond to the consultation on the sale of peat in Scotland highlighted in paragraph 56.

## **8. Chair's update report**

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

## **9. Controller of Audit's update report**

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

During discussion, the Commission:

- Noted in response to a query from Tim McKay, advice on the status of the work being carried out elsewhere referenced in paragraph 10, and how it relates to Scottish councils.
- Noted in response to a query from Geraldine Wooley, an update on the nature of the conversation with COSLA referenced in paragraph 5.

## **10. Any other public business**

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

## **11. Annual Assurance and Risks Report**

The Commission considered a report by the current and outgoing Controllers of Audit introducing the Annual Assurance and Risks Reports and seeking the Commission's decision on their preferred focus of Best Value thematic work.

During discussion, the Commission:

- Noted advice from Carol Calder that the papers issued contained a minor factual inaccuracy which was verbally corrected.
- Andrew Cowie welcomed the report but queried the exclusion of specific councils from the AARR due to lack of intelligence (i.e. Annual Audit Reports), in response Antony Clark provided assurance to the Commission that audit work carried out in those councils is understood to be compliant with the Code of Audit Practice.
- Andrew Cowie asked for advice on enforcing the reporting of Strategic Performance Indicators (SPIs) by auditors, with Antony Clark updating the Commission on how compliance with the Code of Audit Practice relating to SPIs will be enforced going forward.
- Tim McKay, as Chair of the FAAC, noted the report complements materials considered by the Committee and provided further assurance to the Commission the AAR content is consistent with that ongoing reporting.

- Geraldine Wooley requested further additions to the tables included within the AAR that outline key risks, making particular reference to the issue of capacity in relation to Community Engagement and use of resources.
- William Moyes offered his view that workforce would be the appropriate focus of Best Value thematic work, a view seconded by Sheila Gunn due to recurring issues related to this that are reported to the Commission. Jennifer Henderson and Andrew Cowie provided further support to this point, citing the opportunity to share best practice and case studies. Further support for workforce as the focus of thematic work was offered by Malcolm Bell and Nichola Brown.
- Geraldine Wooley noted the role of the Strategy Seminar as a forum to consider strategic issues, such as thematic work focus, and proffered 'recovery' as an alternative area of focus. Carol Calder subsequently assured the Commission that recovery would be an ongoing feature of Local Government overviews and that options for the specific focus under the broad theme of workforce would be provided for further consideration by the Accounts Commission

*Action: Controller of Audit and Audit Directors (ASG and PABV)*

- Sophie Flemig raised the risk of limiting the scope of workforce thematic work, with a requirement to consider wider aspects of this. Antony Clark noted the increased capacity available through thematic work, as opposed to a single team conducting a national performance audit.
- Nichola Brown raised inequalities and citizen engagement, with particular reference to the material presented within Appendix 2. Fiona Mitchell-Knight provided further information on how this is considered as part of Best Value work.

Following discussion, the Commission:

- Noted the Annual Assurance and Risks Report.
- Preliminary agreed that Best Value thematic work focus on workforce from October 2023, with detailed scoping materials to be subsequently presented to the Commission for consideration.

*Action: Controller of Audit and Audit Directors (ASG and PABV)*

## **12. Integration Joint Boards Financial Analysis 2021/22**

The Commission considered a report by the Executive Director of PABV seeking approval of the proposed draft report Integration Joint Boards Financial Analysis 2021/22.

During discussion, the Commission:

- William Moyes noted the unique role of members in relation to this work, acting in an advisory capacity on this occasion, thanking them for their flexibility.
- Andrew Cowie commented on the Key Messages, stating a requirement for these to be strengthened. Andrew Burns seconded this, with particular references by both made to the materials presented within paragraphs 3, 37 and 38 being reflected in the Key Messages.

- Christine Lester asked for greater focus on demand pressures, while querying the legal processes around funding clawback by the Scottish Government.
- Malcolm Bell queried the absence of recommendations, with Antony Clark stating that there was scope for these to be developed should the Commission wish for these to be made. The Commission agreed to the development of recommendations.

*Action: Executive Director of PABV*

- Tim McKay raised the issue of earmarked reserves, with Christopher Lewis advising the Commission of the nature and definition of earmarking within the context of IJBs, including the flexibility in defining this varying across individual IJBs. Sheila Gunn made further reference to Exhibit 4. William Moyes linked these issues to the identification of recurring and non-recurring savings referenced in paragraph 14.
- Sophie Flemig welcomed the report but queried the potential to wider the scope of the work to consider leadership across IJBs, potentially by making explicit links to other pieces of audit work. Antony Clark agreed these could be drawn out within the Key Messages, with Christine Lester also then linking this issue to promotion plans and media activity.

*Action: Executive Director of PABV*

Following discussion, the Commission:

- Approved the draft Integration Joint Boards Financial Analysis 2021/22 report, subject to the amendments agreed during discussion.
- Agreed to delegate authority to the two Commission sponsors, Malcolm Bell and Christine Lester, to agree any changes and amendments to the financial analysis prior to publication in consultation with the audit team.
- Agreed the promotion arrangements for the report.

### **13. Early learning and childcare: Progress on the delivery of the 1,140 hours expansion: draft report**

The Commission considered a report by the Executive Director of PABV inviting the Commission to approve the draft performance audit report Early learning and childcare: Progress on the delivery of the 1,140 hours expansion and outlining plans to promote the report.

During discussion, the Commission:

- As report sponsors, both Sophie Flemig and Geraldine Wooley welcomed the report, noting that this is the third report in the series and commending the team for their continued work. Geraldine Wooley also noted the data issues raised within the report, and the implications for this in assessing the impact of the policy,
- Sheila Gunn queried the status of the data that was referenced as due for publication on February 28<sup>th</sup>. The audit team provided this update, noting the inadequacy of the data limiting elements of the intended analysis.



- Further, Sheila Gunn queried the focus of the recommendation around workforce planning being directed solely to the Scottish Government. The audit team undertook to consider the bodies included within this recommendation.

*Action: Executive Director PABV*

- Andrew Cowie stated his view that the Key Messages would benefit from being more concise and increased read across to the recommendations. This was seconded by a number of Commission members, including Andrew Burns.
- Nichola Brown welcomed the report but queried if the recommendation related to Additional Support Needs should be further explored. Further, Nichola Brown asked about the availability of local data, and if this could supplement the national data and/or data gaps. The audit team explained the nature of the work, and the importance of comparability and consistency across individual councils.

Following discussion, the Commission:

- Approved the draft performance audit report Early learning and childcare: Progress on the delivery of the 1,140 hours expansion, subject to the amendments agreed during discussion.
- Agreed to delegate authority to the Commission sponsors, Sophie Flemig and Geraldine Wooley, to finalise the content of the audit report through discussion with the audit team and the Auditor General.
- Agreed the proposals for promoting the report after publication.

#### **14. Mainstreaming equality: Progress report 2021-23**

The Commission considered a report by the Director of Innovation and Transformation providing an update on progress against equality outcomes and plans for publication of an external mainstreaming report for 2021-2023.

During discussion, the Commission:

- Malcolm Bell asked about Audit Scotland's progress in relation to aspects reported under Outcome 2, particularly the comparative position in relation to disability. Gordon Robertson advised the actions Audit Scotland are taking to address this, including increased capturing of internal equalities data for existing staff.
- Jennifer Henderson raised similar issues in relation to Outcome 2, querying if the Commission should also be cognisant of its own position. William Moyes addressed the actions taken in relation to this, including the focus placed upon this in the Commission's own recruitment process.
- Both Andrew Cowie and Sophie Flemig raised issues in relation to socio-economic mobility.
- Jennifer Henderson highlighted the need to ensure that the report fully complies with best practice, including the corporate gender pay gap reporting that will be shortly published by Audit Scotland.

Following discussion, the Commission:



- Approved the draft Mainstreaming equality: Progress report 2021-23, subject to the amendments agreed during discussion.
- Agreed plans for the publication and promotion of the report.

## 15. Covid-19 data output: draft blog

The Commission considered a report by the Executive Director of PABV updating the Commission on proposals for the Commission's engagement with the Covid-19 data output which will be published in March 2023.

During discussion, the Commission:

- In response to a query from Tim McKay, the audit team advised that the data presented includes two full financial years (2020/21 and 2021/22).
- Andrew Cowie welcomed the demonstration of the data tool before asking about the second paragraph of the draft blog and the wording used.
- As sponsor of the blog, Sheila Gunn endorsed its message.
- Andrew Burns queried publication arrangements, specifically the timing of the output, with the audit team advising that the plan was for a 'soft launch' with a view to ensuring continued use of the data by practitioners, interested users and the public.

Following discussion, the Commission:

- Noted the proposal to publish an Accounts Commission blog.
- Noted the proposal for the Chair to write to the Local Government, Housing and Communities Committee to accompany the Covid-19 data output.
- Agreed the proposed Accounts Commission blog.

## 16. Strategy and work programme: Impact summary report – March 2023

The Commission considered a report by the Executive Director of PABV introducing the first draft of the first impact summary report under the new impact monitoring, evaluation and reporting framework.

During discussion, the Commission:

- Andrew Cowie welcomed the report, noting the potential to inform the need to consider Key Recommendations.
- Sheila Gunn queried whether the recipients of the recommendations were consulted on their opinions, with Antony Clark articulating the ambitions Audit Scotland have in relation to this.
- William Moyes queried the arrangements to ensure that the assessment of impact is impartially or externally validated, with Michelle Borland and Antony Clark offering assurance about the quality arrangements underpinning the process.

- Geraldine Wooley raised a point of note around the potential risks in recommendations becoming overly prescriptive.
- Andrew Burns noted the absence of red in the wider assessment of recommendations within the City Deals follow up report and the need to ensure that the format is consistently used over a longer term.
- Sophie Flemig raised a number of issues related to the monitoring of recommendations, and the use of qualitative information and user feedback in this process, and the potential to engage academia within the impact assessment process.
- William Moyes queried the focus of the City Deals draft report, noting a general focus on central government and Auditor General for Scotland issues. The audit team advised this may be down to the terminology used.

Following discussion, the Commission:

- Noted the progress made in implementing the new impact monitoring, evaluation and reporting framework.
- Agreed to delegate sign off of the impact summary report, including Scotland's City Region and Growth Deals progress briefing, to the Commission Chair and Deputy Chair at the joint work programme meeting with the Auditor General on 27 March 2023.

## **17. Local government in Scotland Overview 2023 – communications and engagement**

The Commission considered a report by the Executive Director of PABV inviting the Commission to consider and comment on the communications and engagement plan for the local government in Scotland overview 2023.

During discussion, the Commission:

- Tim McKay asked about the plans for advanced engagement, with Joanna Mansell outlining previous work in this area such as advance notification of case study content to allow reporting to research these in advance.
- Andrew Burns noted the importance of ensuring the coverage reflects 'real world examples' to add depth to the report coverage. Carol Calder assured the Commission that appointed auditors have actively engaged with the overview team to identify case studies and that these can form the basis of this advanced media coverage.
- Christine Lester noted that there should be consideration given to active social media engagement with media organisations.

Following discussion, the Commission:

- Agreed the communications and engagement plan for the Local government in Scotland overview 2023 report.
- Agreed for the audit team to progress the plan and its scheduling through working with the report sponsors.

**18. 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.