

Minutes of previous meeting

Interim Secretary, Accounts Commission

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 13 April 2023, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh, and
online via Microsoft Teams

498th meeting of the Accounts Commission

Present:

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

* Online attendance

Apologies:

Andrew Cowie

In attendance:

Blyth Deans, Interim Secretary to the Commission
Helena Gray, Controller of Audit
Martin McLauchlan, Policy Manager, Accounts Commission
Antony Clark, Executive Director of PABV (item 9 and 13)
Lucy Jones, Audit Manager, PABV (item 9)
Martin Allan, Auditor, PABV (item 9)
Fiona Caffyn, Correspondence Officer and Auditor, PABV (item 9)
Andrew Dixon, Audit Officer, PABV (item 9)
Lisa McNeely, Trainee Auditor, PABV (item 9)
Niamh Pritchard, Trainee Auditor, PABV (item 9)
Gemma Diamond, Director of Innovation and Transformation (item 10)
Vicki Bibby, Chief Operating Officer (item 10, 15 and 16)
Simon Ebbett, Communications Manager (item 10)
Paul O'Brien, Director of Quality and Support (item 11)
Martin Walker, Director of Corporate Support (item 15)

1. Apologies for absence

It was noted that apologies for absence had been received from Andrew Cowie.

2. Declaration of connections

Geraldine Wooley declared an interest in relation to Item 13 but this was not deemed to warrant her recusing herself.

3. Order of business

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

- Items 10, 11, 12, 14 and 16 as they required the Commission to consider confidential policy matters.
- Items 9 and 13 as they required the Commission to consider draft publications which the Commission are to consider in private before publishing.
- Item 15, as it required the Commission to consider confidential policy matters and data which belong to Audit Scotland and is not in the public domain.
- Item 17 as it required the Commission to consider its Code of Conduct and thus affecting the business and conduct of Commission members

4. Minutes of meeting of 9 March 2023

The Commission considered a report by the Policy Manager presenting the minutes of the meeting of 9 March 2023, including a summary of business arising from those minutes.

The Commission:

- Approved the minutes as a correct record, subject to a minor amendment to wording under item 16.
- Noted the summary of the matters arising.

5. 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:

- In response to a point raised by Jennifer Henderson, agreed that the Interim Secretary consider explicit inclusion of Scottish Parliament consultations.
- Tim McKay queried what support will be offered to the Commission with regard to preparing a proposed response to the consultation on National Outcomes, noting the responses of both the Interim Secretary and Antony Clark.

Following discussion, the Commission:

- Noted the report.
- Agreed to prepare a response on the consultation on National Outcomes, as outlined in paragraph 60 and 61.

6. Any other public business

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

7. Chair's update report

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

8. 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:

- In response to a query from Sheila Gunn, noted the Controller of Audit's update on initial issues arising from stakeholder engagement meetings with council Chief Executives and Directors of Finance.
- Noted the proposed reporting timeline of intelligence from these engagements to the Commission.
- Noted further information from Audit Scotland's Communications Manager on current local authority survey activity taking place on behalf of the Commission.

9. Local government in Scotland overview 2023: draft report

The Commission considered a draft report by the Executive Director of Performance Audit and Best Value on the Local government in Scotland overview 2023.

During discussion, the Commission:

- Malcolm Bell welcomed the report, noting the elected members' checklist as a useful resource for elected members. Reference to the impacts of remote working and variation to governance arrangements in response to Covid-19, and the ongoing impact of these, was raised, with the Commission noting Antony Clark's commitment to look at how these issues are reflected within the report.

Action: Executive Director of PABV

- Andrew Burns raised the wording of the references to the New Deal, noting a need to communicate the Commission's view more strongly on the pace of progress on this. Antony Clark committed to consider this point.

Action: Executive Director of PABV

- Sophie Flemig, with reference to Exhibit two and page 19, queried the presentation and tone of the commentary and analysis around children's services. Antony Clark agreed with the points raised, and again gave a commitment to consider this (alongside the Commission Sponsors) in finalising the report.
- Further to this, the issue of national policies and the financial impact of these on councils was raised by Sophie Flemig, asking for more specificity in outlining the

challenges related to these issues. This point was seconded by Geraldine Wooley, asking for both specificity and clarity in evidencing judgements made in the body of the report.

- Christine Lester raised general points on the tone of the report, with both the Chair and Deputy Chair offering their views on this in response, further to members (including Sheila Gunn) noting issues around presentation of certain messages.
- Sheila Gunn then commented on the need to consider workforce and skills within the wider context of housing provision and availability.
- In discussion of the approach to recommendations, Tim McKay expressed his view that the recommendation around council funding should make use of previous Accounts Commission work on funding. Andrew Burns called for the Key Messages related to finances to be strengthened.
- Both Christine Lester and Sophie Flemig proposed the Key Messages be rationalised, with some wider headlines supported by the current material, with the number of overall messages reduced. Ruth McLeod cautioned against losing some of the evidence, viewing it as a need for the messages to be sharpened. Antony Clark committed to working with sponsors on refining the Key Messages based on points raised at the meeting.

Action: Executive Director of PABV

Following discussion, the Commission:

- Agreed the Commissions' view on the New Deal wording, asking for the finalised text to reflect the above discussion.
- Agreed the approach to recommendations in the local government in Scotland overview 2023 report, keeping the current headings but looking at the presentation of the supporting statements.
- Approved the draft local government overview report and agree the process for finalising the report.

10. Public Audit in Scotland and Audit Scotland Corporate Plan

The Commission considered a report by the Director of Innovation and Transformation and Communications Manager on the Public Audit in Scotland and Audit Scotland Corporate Plan.

During discussion, the Commission:

- Agreed to focus primarily on the Corporate Plan, feeling that the view offered by the Commission on previous drafts is well reflected within the latest iteration of Public Audit in Scotland.
- Tim McKay asked for further information on the three pillar approach and the draft performance measurement framework. The Audit Scotland team provided further information in relation to the points raised.

- Christine Lester queried the sequencing of proposed documents, in particular the Corporate Plan and the Partnership Working Framework. Vicki Bibby provided the Commission with further information on how various corporate publication are linked and why the sequencing is, from Audit Scotland's perspective, appropriate.
- Sophie Flemig and Geraldine Wooley both raised queries in relation to the draft performance measurement framework, including measurability, focus and impact. Vicki Bibby offered to provide further information to Geraldine Wooley directly.

Action: Chief Operating Officer

Following discussion, the Commission:

- Noted the governance for sign off of PAIS and corporate plan.
- Agreed the proposals for revising the timescales for finalising the strategic documents presented.

11. Model form of Independent Auditor's Report for 2022/23

The Commission considered a report by the Director of Quality and Support on the Model form of Independent Auditor's Report for 2022/23

During discussion, the Commission:

- Geraldine Wooley raised a query around how Best Value duties could potentially merit mention, noting advice from the Director of Quality and Support that these would feature within the separate but complementary Annual Audit Report.

Following discussion, the Commission:

- Approved the model form of the Independent Auditor's Report.

12. Best Value Working Group update

The Commission considered a report by the Interim Secretary providing an update on the Best Value Working Group.

During discussion, the Commission:

- Confirmed they have access to all relevant papers via the Member's Sharepoint site.
- Noted an update from the Interim Secretary on the substance of the discussions at the Best Value Working Group.

Following discussion, the Commission:

- Noted the latest conclusions of the Best Value Working Group.

13. Homelessness: draft blog

The Commission considered a report by the Executive Director of PABV updating the Commission on Homelessness.

During discussion, the Commission:

- Noted an update from the Executive Director of PABV on the preparation of the blog and the views of Sheila Gunn (the Commission author).
- Sophie Flemig queried the affordability of specific policy interventions, with both Antony Clark and Sheila Gunn noting how this will be dealt with in formal audit work.
- Malcolm Bell queried the length of the blog, noting that the presentation of the blog will differ once published online.

Following discussion, the Commission:

- Noted the proposal to publish a joint blog with the Auditor General on homelessness.
- Agreed the proposed joint Auditor General and Accounts Commission blog.

14. Work programme consultation update

The Commission considered a report by the Interim Secretary updating them on the Work programme consultation.

During discussion, the Commission:

- Asked the Interim Secretary to consider expanding those receiving the consultation to potentially include Ministers and relevant MSPs; Police Scotland; a wider range of Third Sector and voluntary organisations (including the Carnegie Trust); and further Integration Joint Board representatives.

Action: Interim Secretary

Following discussion, the Commission:

- Noted the initial range of stakeholders consulted.
- Note the intended reporting timeline of the consultation results to the Commission.

15. Quarter 3 Performance Report

The Commission considered a report by the Chief Operating Officer updating them on the performance of Quarter 3.

During discussion, the Commission:

- Geraldine Wooley queried Accounts Commission only branding on the report, with Vicki Bibby explaining the various iterations of the report that go to different bodies (for example, the Audit Scotland Board, Executive Team etc etc). Further to this, Vicki Bibby agreed to ensuring the title of the report reflected the nature and source of information reported.

Action: Chief Operating Officer

- Malcolm Bell queried the use of 'World Class', with Vicki Bibby explaining this was linked to the existing Corporate Plan terminology, and for additional information on variances reported in relation to workforce establishment and budget position.

- Jennifer Henderson queried the presentation of some indicators, asking for clarity in future reports, and the possibility of forecasting forming part of future reports.
- Tim McKay asked for further information on the actions being undertaken to improve the timeliness of audit delivery, as referenced in the covering paper, with John Cornett providing this contextual information verbally. Linked to this, variance explanations were sought by Tim McKay.
- Christine Lester asked for clarification on the reference to the revised framework in relation to impact reporting, with Antony Clark clarifying that this was considered by the Commission at its last meeting.
- Collectively the Commission then welcomed the report, both the format and content, and the work undertaken by Audit Scotland to meet the Commission's requirements.

Following discussion, the Commission:

- Reviewed the performance in Q3/year to date set out.
- Reviewed and provided feedback on the content and format of the developing performance report.

16. Partnership Working Framework – update on work in hand and next steps

The Commission considered a report by the Interim Secretary updating them on the work in hand and the next steps of Partnership Working Framework.

During discussion, the Commission:

- Tim McKay queried who has been involved in discussions so far, with Blyth Deans outlining the main staff members involved, and reinforcing the role of the Commission in approving the PWF.
- Tim McKay raised the need for a Standards Officer for the Commission, stating the language used within the PWF should make clear that the Commission Secretary fulfils this role.
- Sophie Flemig stated her reticence to approve the principles in the absence of further information, with the Chair advising of the expected process. Vicki Bibby provided further context to the purpose of the paper presented, with Sheila Gunn expressing a desire for further information to try to minimise any ambiguity in resultant documents shared with the Commission.
- Jennifer Henderson stated a requirement for codification of dispute resolution processes and more frequent review and dialogue points, interim to the formal review period indicated.
- Agreed to the Interim Secretary forming a sub-group of Commission members to form a working group to take forward the PWF. The members who volunteered at the meeting to join the sub-group were Sheila Gunn, Jennifer Henderson and Malcolm Bell. Andrew Cowie was not present at the meeting but confirmed his willingness to be part of the sub-group via correspondence.

Action: Interim Secretary

Following discussion, the Commission:

- Noted the progress of PWF development work and status update.
- Discussed the principles of partnership working set out.
- Agreed the proposals for next steps, including the formation of a sub-group of Commission members to take forward the PWF.

17. Code of Conduct

The Commission considered an update by the Deputy Chair on the Code of Conduct

During discussion, the Commission:

- Tim McKay introduced the item, noting the opinion of the Commission broadly that they have a right to discuss appointments and duty of care to members of Commission Support Team members.
- Geraldine Wooley raised two items in relation to Audit Scotland's Scheme of Delegation and Member's Code of Conduct, and a view that there is a current inability to fulfil the duties placed upon members by the Code of Conduct.
- The Commission's role in subsequent recruitment to roles within the Commission Support Team was then discussed, with Tim McKay noting the need to ensure that processes, job specifications and reporting lines are all clearly established as soon as practicable.
- Further to the above, relationships and ways of working (referring to the requirements of the Code of Conduct and the role of the Chair) was discussed by the Commission. This included reporting arrangements for the Commission Secretary, with members making clear that upon the expiry of current interim arrangements, their position is that the Secretary should report directly to the Chair of the Commission and not the Controller of Audit.
- Discussion about the appointment processes in train (to appoint four new commissioners and, subsequently, a Deputy Chair) then took place.

Following discussion, the Commission:

- Noted the above points of discussion.
- Agreed to hold a lessons-learned exercise at a future meeting of the Commission.
- Agreed to seek legal advice on elements of the above discussion.
- Agreed to discuss recruitment processes at its next meeting.
- Agreed the Commission's position that the Secretary should report directly to the Chair of the Commission upon the end of the interim arrangements currently in place.

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 2.45pm.