

# 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 May 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 11 May 2023, 9.30am

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

499<sup>th</sup> meeting of the Accounts Commission

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## Present:

Tim McKay (Acting Chair)

Malcolm Bell

Nichola Brown

Andrew Burns

Sophie Flemig\*

Sheila Gunn

Jennifer Henderson

Christine Lester

Geraldine Wooley

Andrew Cowie\*

\* Online attendance

## Apologies:

Blyth Deans, Interim Secretary to the Commission

## In attendance:

Helena Gray, Controller of Audit

Martin McLauchlan, Policy Manager, Accounts Commission

Antony Clark, Executive Director of Performance Audit and Best Value

Carol Calder, Secretary to the Strategic Scrutiny Group (item 11)

Elaine Boyd, Director of Audit Quality and Appointments (item 12)

Owen Smith, Senior Manager, Audit Quality and Appointments (item 12)

John Cornett, Executive Director of Audit Services Group (item 13)

Parminder Singh, Audit Manager, Audit Quality and Appointments (item 13)

Gemma Diamond, Director of Innovation and Transformation (item 14)

Simon Ebbett, Communications Manager (item 14)

Michelle Borland, Head of Organisational Improvement (item 14)

Vicki Bibby, Chief Operating Officer (item 14)

**The acting Chair thanked the former Chair for the time and effort he dedicated to Commission.**

## 1. Apologies for absence

It was noted that apologies for absence had been received from Ruth MacLeod.

## 2. Declaration of connections

The following declaration of connection was noted:

Geraldine Wooley, in respect of item 6, due to occasional employment as equalities consultant.

### 3. Order of business

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

- Items 10, 11, 12, 13, 14 and 15 as they required the Commission to consider confidential policy matters.

### 4. Minutes of meeting of 13 April 2023

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

During the discussion:

- Christine Lester suggested that that it would be useful for timescales to be attributed to the Action Tracker and imminent and important actions only to be highlighted to members.

*Action: Interim Secretary*

- Noted that Geraldine Wooley is meeting with Gemma Diamond to discuss the methodology of performance measurement in the quarterly performance reports.
- Noted that the Interim Secretary, in response to the requests made by members, has now issued the work programme consultation to an additional 40 stakeholders including relevant MSPs and Committee Clerks; Police Scotland; a wider range of Third sector and voluntary organisations (including the Carnegie Trust).

Following discussion, the Commission:

- Approved the draft minute of its previous meeting as a correct record.
- Noted the summary of matters arising.

### 5. Minutes of meetings of Commission committees of 27 April 2023

The Commission considered a report by the Interim Secretary presenting the minutes of the meetings of the Commission's committees of 27 April 2023.

During discussion, the Commission:

- Noted that the Controller of Audit had provided an update by correspondence in relation to Item 4 in the Financial Audit and Assurance Committee (FAAC) minutes.
- Noted that there were no specific recommendations made in respect of the Performance Audit Committee.

Following discussion, the Commission:

- Approved the draft minutes of the Committees, subject to a minor amendment of an action holder in the FAAC minutes.

## 6. Work programme: stakeholder consultation feedback 2023

The Commission considered a report by the Interim Secretary providing an update on the Work programme: stakeholder consultation feedback 2023.

The Commission noted:

- The response rates and summary of responses from those stakeholders that were initially consulted.

During discussion:

- Malcom Bell and Sheila Gunn asked if there was anything to consider for future consultations to help improve the response rate and further promote the work of the Commission. The subsequent discussion included consideration of whether the low response rate from Integration Joint Boards could be attributed to some being included within council responses, and the ongoing development of the National Care Service.
- Christine Lester suggested the need to be more forthright and succinct in our messaging. Despite Councils being asked to provide a collective response it was suggested that, in future, directly sending consultations to Section 95 officers and Chairs and Chief Finance Officers of Integration Joint Boards should be considered.

*Action: Interim Secretary*

- Geraldine Woolley highlighted the need for direct ongoing engagement with stakeholders to encourage more responses to formal consultations, and to look at the process in its entirety.
- In respect of Item 6, Geraldine Wooley requested that employability services be considered as part of the forward work programme review, specifically as part of future inequalities and community focused audit work.

*Action: Director of Performance Audit and Best Value*

- Andrew Burns welcomed the positive and supportive feedback received to the consultation, with Tim McKay suggesting that earlier engagement with stakeholders would be useful in future consultation exercises.

Following discussion, the Commission:

- Noted the intended reporting timeline of the full detailed consultation results to the Commission in June.

## 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 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:

- Geraldine Wooley queried the figure of £25 million and the number of affordable homes planned in relation to the delivery plan announced by the Scottish Government referenced in item 12. It was agreed that further information would be provided to members as an appendix to the Secretary's update report in June.

*Action: Interim Secretary*

- The Acting Chair asked if a copy of the guidance for approving consultations referred to in the report could be circulated to members. The Policy Manager advised that an update on this would follow in June and, depending on its status, a draft or the finalised guidance would be provided to members for information alongside the June papers.

*Action: Interim Secretary*

- Christine Lester asked for equalities around remuneration and gender balance to be taken into account when considering future consultation responses in related areas, in reference to the Acting Chair noting a further consultation has been opened on Councillor's remuneration. The Policy Manager advised that advice would be issued on the appropriateness of the Commission responding to this consultation for members to consider, following further consideration by the Commission Support Team.

*Action: Interim Secretary*

Following discussion, the Commission:

- Noted the report.
- Agreed to the proposed actions with regard to the Commission responding to the consultations highlighted within the report.

## **8. Any other public business**

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

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

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

During discussion, the Acting Chair:

- Advised members that the strategy seminar planned for 7/8 June 2023 would now be a 1-day event on 7 June only.
- Confirmed that the September meeting of the Accounts Commission would now take place on Wednesday 13 September 2023.

Following discussion, the Commission:

- Noted the report.

## 10. 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.

Following discussion, the Commission:

- Noted the report.

## 11. Strategic Scrutiny Group update

The Commission considered an update by the Secretary to the Strategic Scrutiny Group.

During discussion, the Commission:

- Noted the progress made in repositioning the scrutiny improvement groups. The Commission will still be a member of the new Strategic Public Sector Scrutiny Network but will have no responsibility for chairing. The new group will have a wider remit and terms of reference were agreed at the final meeting of the Strategic Scrutiny Group in April 2023.
- The new Scrutiny Coordination Group (SCG) will report to the Commission on an annual basis. External members of the group may be invited to update the Commission at future meetings.
- Christine Lester asked if there will be a process in place to ensure our statutory responsibilities are fulfilled and if we will be notified of any issues as they arise. Carol Calder explained that issues arising will be reported to the Commission by the chair of the scrutiny coordination group in addition to the 12 monthly formal reporting of the SCG to the Commission.

Following discussion, the Commission:

- Noted the report.

## 12. Draft Quality of public audit in Scotland

The Commission considered a draft report by the Director of Audit Quality and Appointments on the Quality of public audit in Scotland.

During discussion:

- Tim McKay asked if there were any updates to the Action Plan. A further update will be reported back to the Commission in November 2023, but the Director will consider what information can be provided in the interim. Tim McKay also requested that the final version of the report be circulated to Commission members in advance of it being signed off by the Audit Scotland Board.

*Action: Director of Audit Quality and Appointments*

- Christine Lester asked which improvement areas Audit Quality and Appointments have identified in respect of the work of the Accounts Commission. Further information was provided.
- Geraldine Wooley asked how our work is being perceived by wider stakeholders and if there is methodology on analysing the information we are receiving and the basis for assessing the effectiveness of internal training. Further details were provided.
- Sheila Gun noted that audit providers should formulate plans to address issues around resourcing, timelines, technical changes in profession.
- Andrew Cowie asked for clarification on the escalation of action planning to an urgent level reference in paragraph 93 and was advised that the presentation would be considered as part of the planned update report for the Commission.

*Action: Director of Audit Quality and Appointments*

- Jennifer Henderson raised the issue around transparency and the applicability of Freedom of Information exemptions due to commercial confidentiality, noting the response given about their applicability.
- Tim McKay raised operational independence and if the wording used in the report could be made clearer for members of the public.

*Action: Director of Audit Quality and Appointments*

Following discussion, the Commission:

- Noted the excellent independent review results achieved by the audit firms and Audit Scotland's Performance Audit and Best Value Group over the last four years.
- Note the improvement in Audit Scotland's Audit Services Group financial audit quality results in 2021/22.
- Endorsed the Quality of public audit in Scotland report 2023, subject to the final version being circulated by email before the next meeting of the Audit Scotland board.

### **13. Update on annual audit delivery**

The Commission considered an update by the Controller of Audit on annual audit delivery.

During discussion, the Commission:

- Christine Lester raised a point around new Best Value requirements, noting the response from the Executive Director of ASG about the progress being made in embedding these as part of the new audit appointments.

Following discussion, the Commission:

- Noted the update provided.
- Noted the actions being undertaken by Audit Scotland's Audit Quality and Appointments Team (AQA) to monitor audit delivery.

## 14. Public Audit in Scotland and Audit Scotland Corporate Plan

The Commission considered a report by the Director of Innovation and Transformation providing an update on Public Audit in Scotland and Audit Scotland Corporate Plan

During discussion, the Commission:

- Noted the point raised by Geraldine Wooley around the shift from a process focus to an outcomes focus and how this differs from the draft Quality of public audit in Scotland report considered at Item 12 above. Further to this, Geraldine Wooley raised an issue around wording within the report for the team to consider as it is being finalised.
- Christine Lester asked if Tim McKay would be present at the Audit Scotland Board meeting on 23 May where this report would be signed off to provide any further updates on behalf of the Commission. The Acting Chair advised he would attend said meeting to represent the Commission.
- Sophie Flemig raised the point about the performance management framework, and how this translates into engagement plans. Vicki Bibby provided further information in response.
- Nichola Brown asked what measures are in place around innovation and learning and how this relates the Audit Quality report quality report considered at Item 12, noting the response provided.
- Andrew Burns commended the teams on the close vision and alignment between the two pieces of work and thanked everyone for their work.
- Tim McKay asked how the Commission Change Programme will fit in with the thinking of Audit Scotland's corporate plan, noting the response that the Commission Support Team is considered to be a business group for Audit Scotland's internal planning purposes, and the change programme would be considered as part of that business group's wider business plan.

Following discussion, the Commission:

- Noted the progress of the overall project to refresh PAIS and develop Audit Scotland's new corporate plan.

## 15. Controller of Audit update on Stakeholder Engagement

The Commission considered a verbal update from the Controller of Audit on an ongoing programme of Stakeholder Engagement.

Following discussion, the Commission:

- requested that the Controller of Audit prepare a formal report for their consideration upon completion of the planned programme of engagement.

*Action: Controller of Audit*

## 16. Any other private business

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



## **Close of meeting**

The meeting closed at 12.40 pm.