

MEETING OF 16 APRIL 2015

MINUTES OF PREVIOUS MEETING

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 12 March 2015, at 10.15am

PRESENT: Douglas Sinclair (Chair)
Ronnie Hinds (Deputy Chair)
Alan Campbell
Sandy Cumming
Colin Duncan
Tim McKay
Christine May
Stephen Moore
Linda Pollock
Colin Peebles
Graham Sharp
Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Paul Craig, Senior Audit Manager, Audit Services [Item 9]
Diane McGiffen, Chief Operating Officer [Items 11, 12 and 13]
Fiona Mitchell-Knight, Assistant Director, Audit Services [Item 9]
Mark Roberts, Senior Manager, PABV [Item 9]
Martin Walker, Assistant Director, Corporate Services [Item 13]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 12 February 2015
5.	Minutes of the Financial Audit and Assurance Committee of 26 February 2015
6.	Minutes of the Performance Audit Committee of 26 February 2015
7.	Update report by the Secretary to the Commission
8.	Update report by the Controller of Audit
9.	Opencast coal mining restoration
10.	Review of annual audits
11.	Audit Scotland matters: Best companies survey [<i>in private</i>]
12.	Public Audit in Scotland [<i>in private</i>]
13.	Audit Scotland Corporate Plan [<i>in private</i>]
14.	Commission business matters [<i>in private</i>]

1. Apologies for absence

It was noted that apologies for absence had been received from Linda Pollock.

2. Declarations of interest

The following declarations of interest were made:

- Alan Campbell, in item 9, as an adviser to an energy company. He played no part in the consideration of the said item.
- Ronnie Hinds, in item 9, as a former Chief Executive of Fife Council. He played no part in the consideration of the said item.
- Christine May, in item 9, as an adviser to opencast mining companies. She played no part in the consideration of the said item.
- Linda Pollock, in item 7, as a member of the board of the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 11 to 14 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 12 February 2015

The minutes of the meeting of 12 February 2015 were submitted and approved.

5. Minutes of the meeting of the Financial Audit and Assurance Committee of 26 February 2015

The minutes of the meeting of the Financial Audit and Assurance Committee of 26 February 2015 were submitted and approved, subject to, in relation to item 4, sixth bullet point (report on funding gaps), noting advice from the Director of Performance and Best Value that a report would be submitted to the April meeting of the Commission.

6. Minutes of the meeting of the Performance Audit Committee of 26 February 2015

The minutes of the meeting of the Performance Audit Committee of 26 February 2015 were submitted and approved, subject to, in relation to paragraph 5, second bullet point (auditor guidance on health and social care integration), noting advice from the Secretary that such guidance had been issued as part of a briefing paper.

7. Update report by the Secretary to the Accounts Commission

The Commission considered a report by the Secretary to the Commission providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

During discussion the Commission agreed that briefings be organised at future meetings on:

- the establishment of a strategic health and social care partnership board in Greater Manchester.
- A bid from Aberdeen and Aberdeenshire councils for a City Deal Initiative.

Action: Secretary

Thereafter the Commission agreed to note the report.

8. Update report by the Controller of Audit

The Controller of Audit provided a verbal update on his recent activity including meetings and discussions with stakeholders.

It was agreed that further information be provided on issues in relation to the reorganisation of local government in Wales.

Action: Secretary

9. Opencast coal mining restoration

The Commission considered a report by the Secretary to the Commission introducing a briefing paper by the Director of Performance Audit and Best Value on issues for councils around site restoration.

During consideration, the Commission agreed:

- To write to councils, COSLA and SOLACE advising them of the briefing paper, and in particular emphasising the importance of councils ensuring that operators have adequate financial resources in place to enable full restoration of sites, both at the time of the start of operation and as operations develop.

Action: Secretary

- That further work be undertaken to gather evidence about the scale and significance of the implications for councils of other activities where restoration is required after operations have ended, including renewable energy developments, quarries and landfill sites.
- That a watching brief be maintained in relation to a proposal from private sector operators to the UK Government for a Carbon Price Support Exemption to provide funding for restoration opportunities on opencast coal sites.

Actions: Director of Performance Audit and Best Value

Thereafter the Commission agreed to note the report and note that the Director would report further to the Commission as appropriate.

10. Review of annual audits

The Commission considered a report by the Controller of Audit and Director of Performance Audit and Best Value, summarising the outcome of his review of the 2013/14 annual audit reports for councils and related local authority bodies.

During discussion, the Commission agreed:

- To note advice from Graham Sharp that he was continuing to review how the Financial Audit and Assurance Committee oversees issues arising from the annual audit.
- To note advice from the Director that, in relation to paragraph 7 (monitoring of councils), he continues to monitor various issues in relation to Argyll and Bute Council.
- To note advice from the Director that, in relation to paragraph 10 (risks in annual audit reports), information technology has also been identified as a prominent risk.

Thereafter the Commission agreed to note the report.

11. Audit Scotland matters: Best companies survey [in private]

The Commission agreed that this item be held in private in order to discuss issues relating to the staff of Audit Scotland.

The Commission considered a verbal report by the Chief Operating Officer in relation to the results of the Best Companies survey in Audit Scotland.

Following discussion, the Commission noted the report.

12. Public Audit in Scotland [in private]

The Commission agreed that this item be held in private to allow it to consider a draft report.

The Commission considered a report by the Secretary to the Commission introducing a draft paper, *Public Audit in Scotland*, to be published by the Commission, the Auditor General and Audit Scotland.

Following discussion, the Commission agreed:

- to endorse the proposed publication, subject to points raised in discussion.
- to remit to the Chair, in conjunction with the Auditor General, to agree the final draft of the publication.
- to endorse the proposed publishing arrangements.

Actions: Secretary

13. Audit Scotland Corporate Plan [in private]

The Commission agreed that this item be held in private to allow it to consider a draft plan.

The Commission considered a report by the Chief Operating Officer setting out the draft Audit Scotland Corporate Plan 2015-18.

Following discussion, the Commission agreed:

- to endorse for its interest the draft Audit Scotland Corporate Plan 2015-18, subject to Audit Scotland considering points raised in discussion.

Action: Chief Operating Officer

- to note the process for finalising the Plan.

14. Commission business matters [in private]

The Commission agreed that the Chair's update on Commission business matters be held in private to allow it to discuss issues of a confidential nature relating to the operations of the Commission.

The Chair briefed the Commission on matters of interest.