

ACCOUNTS COMMISSION

MEETING 19 JUNE 2014

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, 15 May 2014, at 10.00am

PRESENT: Douglas Sinclair (Chair)
Michael Ash
Alan Campbell
Sandy Cumming
Colin Duncan
Christine May
Bill McQueen
Linda Pollock
Colin Peebles
Graham Sharp
Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Angela Canning, Assistant Director, PABV [Item 15]
Antony Clark, Assistant Director, PABV [Items 7, 9, 11 & 12]
Angela Cullen, Assistant Director, PABV [Item 14]
Russell Frith, Assistant Auditor General [Items 13 & 16]
Graeme Greenhill, Senior Manager, PABV [Items 8 & 15]
Phil Grigor, Senior Manager, PABV [Items 7 & 9]
Mark McCabe, Project Manager, PABV [Items 8, 10 & 11]
Ronnie Nicol, Assistant Director, PABV [Items 8 & 10]
Michael Oliphant, Project Manager, PABV [Item 14]
Sarah Pollock, Project Manager, PABV [Item 15]
Gordon Smail, Senior Manger, PABV [Items 7, 9 & 14]
Owen Smith, Senior Manager, Audit Strategy [Item 16]
Kirsty Whyte, Senior Performance Auditor, PABV {Item 15]

1. Apologies for absence

There were no apologies for absence.

2. Declarations of interest

The following declarations of interest were made:

- Michael Ash, in items 11 and 12, as a member of East Lothian Community Planning Partnership.
- Bill McQueen, in items 7 and 9, as a member of the board of the Scottish Fire and Rescue Service.
- Christine May, in item 6, as an adviser to opencast mining companies, and in items 11 and 12 as Vice-Chairman of Fife Cultural Trust.
- Colin Peebles, in items 7 and 9, as chair of Stirling, Falkirk and Clackmannan branch of Soldiers, Sailors, Airmen and Families Association (SSAFA) Forces Help.
- Linda Pollock, in items 11 and 12, a member of the board of the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 9 to 17 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 14 April 2014

The minutes of the meeting of 14 April 2014 were approved as a correct record.

5. Update report by the Secretary to the Accounts Commission

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

During discussion the Commission:

- Noted advice from the Secretary on recent changes to the political and officer leadership in Aberdeen City Council.
- In relation to paragraph 54 (Scottish Public Services Ombudsman), noted advice from the Secretary that the model complaints handling procedure had been adopted by Audit Scotland on the Commission's behalf in 2013.

Thereafter the Commission agreed to note the report.

6. 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.

The Commission noted the Controller of Audit's report.

7. Community Planning in Falkirk

The Commission considered a report by the Secretary introducing the report of the audit of Falkirk Community Planning Partnership by the Controller of Audit and the Auditor General for Scotland, and seeking direction on how to proceed.

Following consideration, the Commission agreed:

- That future reports on the audit of community planning partnerships provide information on:
 - the dedicated support to the partnership
 - the composition of the board of the community planning partnership.

Action: Controller of Audit

- To note the report.
- To consider in private how to proceed.

8. Best Value audit (follow-up): Comhairle nan Eilean Siar

The Commission considered a report from the Secretary introducing the Controller of Audit's report on the progress made by Comhairle nan Eilean Siar against improvements previously required by the Commission.

Following consideration, the Commission:

- Noted advice from the Controller of Audit that he would consider making more explicit in future follow-up reports the actual progress of a council against any agreed improvement plan.

Action: Controller of Audit

- Agreed to note the report.
- Agreed to consider in private how to proceed.

9. Community Planning in Falkirk [*in private*]

The Commission agreed that this item be held in private to allow it to consider how to proceed in relation to a report by the Controller of Audit on the audit of Falkirk Community Planning Partnership.

Following discussion, the Commission:

- Agreed to make findings to be published in early course.
- Noted advice from the Controller of Audit that for each audit of community planning partnerships, it was the intention of the Auditor General for Scotland to write to the Chair of the appropriate health boards to ask them to formally consider the published report.

Action: Secretary

10. Best Value audit (follow-up): Comhairle nan Eilean Siar [*in private*]

The Commission agreed that this item be held in private to allow it to consider how to proceed in relation to a report by the Controller of Audit on progress made by Comhairle nan Eilean Siar against improvements previously required by the Commission.

Following discussion, the Commission agreed to make findings to be published in early course.

Action: Secretary

11. The Shared Risk Assessment process and Best Value audit work [in private]

The Commission agreed that this item be held in private to allow it to discuss confidential deliberations by the Quality and Consistency Review Panel as part of the shared risk assessment process.

The Commission considered a report by the Director of Performance Audit and Best Value updating the Commission on the 2014/15 shared risk assessment process and the Best Value audit activity for 2014/15 arising therefrom.

During discussion the Commission:

- Noted a verbal update from the Director on the outcome of the Quality and Consistency Review Panel's deliberations on the 2014/15 shared risk assessment process.
- Noted advice from the Director that, following discussion at the Commission's Strategy Seminar, he was considering how to make more effective use of Audit Scotland's Best Value toolkits, and he would share the toolkits with Commission members for information.

Action: Director of Performance Audit and Best Value

- Noted advice from the Director that he was continuing to develop proposals on a revised approach to auditing Best Value, upon which he would report to the Commission in due course.
- Agreed to endorse the proposed Best Value audit activity arising from the recent shared risk assessment process.

12. National Scrutiny Plan 2014/15 [in private]

The Commission agreed that this item be held in private to allow it to discuss confidential information in relation to the National Scrutiny Plan.

The Commission considered a report by the Director of Performance Audit and Best Value introducing the National Scrutiny Plan for Local Government 2014/2015 and its related commentary report.

Following discussion, the Commission endorsed the content of the National Scrutiny Plan and the covering report, subject to any changes arising from the Quality and Consistency Review Panel's deliberations on the 2014/15 shared risk assessment process being incorporated into the final documents.

13. Expectations of audit – feedback and next steps [in private]

The Commission agreed that this item be held in private to allow it to discuss the interim findings from the Expectations of audit project.

The Commission considered a report by the Assistant Auditor General providing feedback on the findings of the Expectations of audit exercise since the November Commission meeting and outlining plans for the next steps.

During discussion the Commission:

- Noted advice from the Assistant Auditor General that issues around the funding model used for Audit Scotland would be discussed by the Commission at a future meeting.
- Agreed that papers in relation to the project should ensure clarity about the respective roles in the public audit model.

Actions: Assistant Auditor General

Thereafter the Commission agreed to note the report.

14. Performance audit: Scotland's public finances: additional information [in private]

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

The Commission considered a report by the Director of Performance Audit and Best Value seeking approval of a checklist to be published with the joint Accounts Commission and Auditor General for Scotland performance audit report *Scotland's public finances: a follow-up audit* and its approach to engaging with councils.

Following discussion, the Commission approved the checklist, subject to the audit team considering a number of points raised in the discussion and consulting further with the sponsors of the performance audit, Bill McQueen and Pauline Weetman.

15. Performance audit – draft report: School education [in private]

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

The Commission considered a report by the Director of Performance Audit and Best Value proposing a performance audit report, *School Education*, and proposing arrangements for its publication and promotion.

During discussion the Commission agreed:

- That further thought be given to the most effective approach of ensuring chief executive input into, and interest in, project advisory groups.
- To approve the draft performance audit report *School Education* and the accompanying key messages document, subject to the audit team considering a number of points raised in discussion and consulting further with the sponsors of the performance audit, Linda Pollock and Graham Sharp.
- To delegate to the audit sponsors approval of a checklist for elected members.
- To approve the media strategy for the audit report as proposed in the Director's report.
- That this report be considered for follow-up work at an appropriate point.

Actions: Director of Performance Audit and Best Value

16. National Fraud Initiative: 2012/13 exercise [in private]

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

The Commission considered a report by the Assistant Auditor General setting out a draft report of the 2012/13 exercise for the National Fraud Initiative (NFI).

During discussion the Commission:

- Offered various comments on the draft report.
- Noted advice from the Assistant Auditor General that the published report would be circulated to councils, including chairs of audit committees.
- Noted the success of NFI in helping councils and other public bodies to detect and deter fraud and error.
- Endorsed for its interest the draft report.

17. Commission business matters [*in private*]

The Commission agreed that this item 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.