

MEETING: 14 JANUARY 2021

MINUTES OF PREVIOUS MEETING

Minutes of the 474<sup>th</sup> meeting of the  
Accounts Commission held via online meeting  
on Thursday 10 and 17 December 2020, at 9.30am.

PRESENT: Elma Murray (Interim Chair)  
Andrew Burns  
Andrew Cowie  
Sophie Flemig  
Sheila Gunn (10 December only)  
Christine Lester  
Tim McKay (10 December only)  
Stephen Moore  
Sharon O'Connor (17 December only)  
Pauline Weetman (17 December only)  
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission  
Fraser McKinlay, Controller of Audit and Director of Performance Audit  
and Best Value (PABV)  
Morag Campsie, Senior Manager, Audit Services and PABV (Item 13)  
Antony Clark, Audit Director, PABV (Item 14)  
Blyth Deans, Audit Manager, PABV (Item 12)  
Stuart Dennis, Corporate Finance Manager (Item 11)  
Lisa Duthie, Senior Auditor, Audit Services (Item 12)  
Brian Howarth, Audit Director, Audit Services (Item 12)  
Lucy Jones, Senior Auditor, PABV (Item 13)  
Christopher Lewis, Senior Auditor, PABV (Item 12)  
Tricia Meldrum, Senior Manager, PABV (Item 14)  
Bernadette Milligan, Audit Manager, PABV (Item 13)  
Beverley Oakman, Audit Manager, PABV (Item 14)  
Mark Roberts, Audit Director (PABV) (Item 13)  
Kirstin Scott, Auditor, PABV (Item 13)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 12 November 2020
5. Minutes of Financial Audit and Assurance Committee of 26 November 2020
6. Minutes of Performance Audit Committee of 26 November 2020
7. Audit Scotland Board update
8. Secretary's update report
9. Interim Chair's update report
10. Controller of Audit's update report
11. 2020/21 audits – local government fees (in private)
12. Local government in Scotland: financial overview 2019/20: draft report (in private)
13. Performance audit – Digital progress in local government: draft report (in private)
14. \* Performance audit – Education outcomes: emerging messages (in private)
15. Best Value update (in private)
16. New audit appointments update (in private)
17. Any other business

\* This item was considered on 17 December.

1. Apologies for absence

It was noted that apologies for absence had been received from Sharon O'Connor and Pauline Weetman (both 10 December only) and Sheila Gunn and Tim McKay (both 17 December only).

2. Declarations of interest

No declarations of interest were made.

3. Order of business

It was agreed that items 11 to 17 be considered in private because:

- Item 11 requires the Commission to consider confidential business and commercial matters.
- Item 12 proposes a draft audit report which the Commission is to consider in private before publishing.
- Item 13 proposes a draft performance audit report which the Commission is to consider in private before publishing.
- Item 14 requires the Commission to consider emerging messages from a performance audit report which may require consideration of confidential policy matters in advance of further audit work.
- Item 15 requires the Commission to consider confidential policy matters.
- Item 16 requires the Commission to consider confidential commercial and contractual matters.
- Item 17 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Interim Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

The Interim Chair advised that there was no business for item 17.

4. Minutes of meeting of 12 November 2020

The minutes of the meeting of 12 November 2020 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 4, fourth bullet point, noted advice from the Interim Chair that it was proposed to hold a member workshop in February on the principles associated with the audit appointments procurement strategy including the Commission's legal obligations in this regard.
- In relation to item 10, noted advice from the Chair that she would in early course be liaising with members to identify sponsors for the planned thematic study on the impact of Covid-19 on Scottish councils' benefit services.

5. Minutes of meeting of Financial Audit and Assurance Committee of 26 November 2020

The minutes of the meeting of the Financial Audit and Assurance Committee of 26 November 2020 were approved as a correct record.

6. Minutes of meeting of Performance Audit Committee of 26 November 2020

The minutes of the meeting of the Performance Audit Committee of 26 November 2020 were approved as a correct record.

7. Audit Scotland Board update

The Commission considered a report by the Secretary providing an update on the business of the Audit Scotland Board.

During discussion, the Commission:

- In relation to paragraph 4 of the minute of the Board of 30 September, noted advice from the Secretary, in response to a query from Geraldine Wooley, that he would confirm with members the outcome of previous discussion with Audit Scotland on the Office of National Statistics classification of the Accounts Commission, which had reached a satisfactory conclusion.

*Action: Secretary*

- In relation to paragraph 19, noted advice from the Interim Chair that she had liaised with Audit Scotland's Corporate Governance Manager on the annual policy review of records management policies, and had agreed, in conjunction with the Secretary, the updated policies as being appropriate for the Commission.
- In relation to paragraph 22, noted advice from the Secretary, in response to a query from Sheila Gunn, that the Audit Quality and Assurance Team had advised him that they would be reporting to the Commission early in 2021 on progress with the draft audit quality investigation and escalation procedure.

*Action: Associate Director, AQA*

The Commission agreed to note the report.

8. Secretary's update report

The Commission considered a report by the Secretary 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:

- Noted advice from the Secretary that he had responded to a member's query on paragraph 121 of the report (namely extra funding for the Kickstart scheme), details of which were available on the Member SharePoint site.
- In relation to paragraph 7, noted advice from Geraldine Wooley on the Audit Scotland roundtable event on 4 November on the impact that the Covid-19 pandemic has had on community empowerment, in which she had participated.
- In relation to paragraph 10, noted advice from the Secretary, in response to a query from Sheila Gunn, on councils' use of furlough during the Covid-19 pandemic.
- In relation to paragraph 93, noted advice from the Secretary, in response to a query from Sheila Gunn, on reports in the local press on the spending by the City of Edinburgh Council on external consultants.

Thereafter, the Commission noted the report.

9. Interim Chair's update report

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

The Commission agreed to note the report

10. Controller of Audit's update report

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

The Commission agreed to note the report.

11. 2020/21 audits – local government fees (in private)

The Commission considered a report by the Corporate Finance Manager seeking the Commission's endorsement of audit fees for the local government sector for the 2020/21 audit year

Following discussion, the Commission agreed to endorse the fee levels set out in the report.

12. Local government in Scotland: financial overview 2019/20: draft report (in private)

The Commission considered a report by the Director of PABV proposing the draft report *Local government in Scotland: financial overview 2019/20*, the process for finalising the report, and publication arrangements for the report.

During discussion, the Commission agreed:

- To approve the draft report, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Elma Murray and Tim McKay.

*Action: Director of PABV*

- To approve the publication and promotion arrangements for the report, subject to revisions raised in discussion, and including a revised publication date of 26 January 2021.

*Action: Secretary and Director of PABV*

13. Performance audit – Digital progress in local government: draft report (in private)

The Commission considered a report by the Director of PABV proposing the draft performance audit report *Digital progress in local government*.

Following discussion, the Commission agreed:

- To approve the draft report and additional resources, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Andrew Cowie and Christine Lester.

*Action: Director of PABV*

- To approve the publication and promotion arrangements for the report, subject to revisions raised in discussion, and including a publication date of 14 January 2021.

*Action: Secretary and Director of PABV*

14. \* Performance audit – Education outcomes: emerging messages (in private)

The Commission considered a report by the Director of PABV proposing the emerging messages for the performance audit report *Education outcomes*.

During discussion, the Commission:

- Noted advice from Tricia Meldrum, in response to a query from Christine Lester, that the data in the published report would be made available to local auditors for use in their annual audit work.
- Noted advice from Antony Clark and Tricia Meldrum, in response to a query from Andrew Cowie, that the report will make appropriate reference to other planned national reports from other agencies in this regard.
- Noted advice from Antony Clark, in response to a query from Stephen Moore, that matters in relation to support staffing were not part of the agreed scope of the audit, but education workforce planning remained an area of monitoring by Audit Scotland on the Commission's behalf.
- Noted advice from Antony Clark, in response to a query from Stephen Moore, that matters in relation to looked-after children and children with disabilities featured elsewhere in the Commission's work programme, an update on which it will be considering at its January meeting.
- Noted advice from Antony Clark, in response to a query from Sophie Flemig, that human rights is a focus of the work programme and can be considered further by the Commission in its development of the work programme.

Following discussion, the Commission agreed:

- To endorse the emerging messages, subject to the audit team addressing the matters raised in discussion with the audit sponsors, Sheila Gunn and Sharon O'Connor.

*Action: Director of PABV*

- To consider a draft report at its January meeting.

*Action: Secretary and Director of PABV*

15. Best Value update (in private)

The Commission considered a report by the Secretary providing an update on matters relating to Best Value.

During discussion, the Commission noted its continuing focus on ensuring public assurance about the performance of health and social care integration joint boards (IJBs), both in its current work programme and in its ongoing development of its new approach to auditing Best Value in IJBs.

Following discussion, the Commission:

- Approved the proposed scheduling of the remaining council Best Value Assurance Reports.
- Approved a refocused audit approach for the 2021 and 2022 Best Value audit work.
- Noted the latest conclusions of the Best Value Working Group.
- Noted the progress of the Best Value and Code of Audit Practice stakeholder engagement plan.

*Actions: Secretary and Director of PABV*

16. New audit appointments update (in private)

The Commission considered a report by the Interim Chair providing an update on progress made with new audit appointments.

Following discussion, the Commission:

- Noted that it would consider at a future meeting the recommendations from the Interim Review of the new audit appointments project.
- Agreed that further information be provided on the project timeline.

*Actions: Interim Chair and Secretary*

Following discussion, the Commission noted the report.

17. Any other business

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

Close of meeting

The meeting closed at 12.30pm (on 10 December) and 9.40am (on 17 December).