FINANCIAL AUDIT AND ASSURANCE COMMITTEE

MEETING: 27 APRIL 2017

REPORT BY: SECRETARY TO THE COMMISSION

MINUTE OF PREVIOUS MEETING

Introduction

1. This paper provides updated information on the previous minutes of the Committee.

Updated information

2. The Accounts Commission, at its meeting of 9 March 2017, approved the attached minutes of the Committee of 23 February 2017 subject to, including Ronnie Hinds as being amongst those present at the meeting.

3. With reference to item 4, the Commission noted that the Committee, on advice from the Controller of Audit that he expects assessment of the robustness of option appraisal to feature in annual audit work, agreed to recommend to the Commission that such a matter continue to be considered for future performance audit or related work. The Commission accepted the recommendation.

Conclusion

4. The Committee is asked to note:
   - The attached minute.
   - Any other updates provided at today’s meeting.

Paul Reilly
Secretary to the Commission
19 April 2017
Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 102 West Port, Edinburgh on Thursday, 23 February 2017, at 10am.

PRESENT: Graham Sharp (Chair)
Tim McKay
Pauline Weetman
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Anne Cairns, Manager (Benefits), Audit Strategy [Item 7]
Antony Clark, Assistant Director, PABV [Item 6]
Gemma Diamond, Senior Manager, PABV [Item 8]
Russell Frith, Assistant Auditor General [Item 7]
Fiona Kordiak, Director of Audit Services [Item 4]
Anne MacDonald, Senior Audit Manager, Audit Services [Item 4]
Mark McCabe, Senior Manager, PABV [Item 6]
Dave McConnell, Assistant Director, Audit Services [Item 4]
Catherine Young, Audit Manager, PABV [Item 6]

1. Apologies for absence
2. Declarations of interest
3. Draft minutes of meeting of 24 November 2016
4. Current Issues from the local authority audits
5. Intelligence from Ombudsman (six monthly report)
6. Performance audit: emerging messages – Equal Pay
7. Review of Housing Benefit Subsidy certification issues 2015/16
8. Briefing: digital audit
9. Any other business
1. Apologies

It was noted that apologies for absence had been received from Sheila Gunn and Douglas Sinclair.

2. Declarations of interest

Ronnie Hinds declared an interest in item 6 as a former Chief Executive of Fife Council, and played no part in the consideration of the said item.

3. Minutes of meeting of 24 November 2016

The minutes of the meeting of 24 November 2016 were noted and approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 3 (last bullet point), noted advice from the Secretary that:
  - The Chair had written to pension fund trustees and conveners of pension fund committees sharing the messages from the unaudited pension fund accounts and the local government financial overview, and the copies of the correspondence were available on the members' extranet portal.
  - Further in this regard, Audit Scotland would be meeting the National Pensions Advisory Board in coming weeks to discuss the matters further.

- In relation to item 4 (fourth bullet point), to note advice from the Director of Audit Services that the Controller of Audit continues to monitor the matters associated with the restructuring of City Building (Glasgow) LLP with a view to reporting further to the Commission.

- In relation to item 5 (first bullet point), noted advice from the Secretary that the Best Value Working Group would be considering how self-evaluation features in Best Value auditing guidance and how to encourage fruitful dialogue between audit teams and elected members.

- Further in this regard, noted advice from the Director of PABV that the Best Value Working Group would continue to consider how to ensure effective assessment of leadership through the approach to auditing Best Value, and would report to the Commission as appropriate.

  Action: Director of PABV

- In relation to item 5 (third bullet point), noted advice from the Chair that he would still welcome views from Committee members on how to feature more prominently in the Committee’s business the practical experience of auditors.

4. Current issues from the local authority audits

The Committee considered a report by the Controller of Audit advising of emerging issues and recurring themes, as well as individual issues of interest, arising from audit work in Scottish councils.

During discussion, the Committee agreed:

- To note advice from the Assistant Auditor General that he would continue to monitor the situation with council house rent arrears arising from the
introduction of Universal Credit, with a view to reporting further to the Committee as appropriate.

- To note advice from the Controller of Audit, arising from a query from Pauline Weetman, that he expects assessment of the robustness of option appraisal to feature in annual audit work in line with the risk-based approach inherent in the new approach to auditing Best Value.

- Further in this regard, to recommend to the Commission that such a matter continue to be considered for future performance audit or related work.

  *Action: Secretary*

- To note advice from the Controller of Audit that he continues to monitor due diligence matters around the procurement exercise in relation to the operation and management of the existing and replacement Aberdeen Exhibition and Conference Centre.

- To note advice from the Controller of Audit that he was studying the independent report into school closures in City of Edinburgh, which was published on 9 February, with a view to updating the Commission in due course.

  - Further in this regard, to defer any view about the appropriateness of a statutory report from the Controller.
  
  - Further in this regard, to note the potential link between matters raised in the report and the proposed performance audit on innovative financing.

- That the Controller of Audit provide more information on the implications of the court action taken by East Ayrshire Council in relation to the Skares open cast mine site.

- That the Controller of Audit consider the Best Value implications of recent press coverage of integration boards’ decisions being taken in private.

  *Actions: Controller of Audit*

Thereafter, the Committee noted the report.

5. **Intelligence from Ombudsman (six monthly report)**

The Committee considered a report by the Secretary to the Commission providing an update of intelligence emerging from the work of the Scottish Public Sector Ombudsman, Commissioner for Ethical Standards in Public Life in Scotland, Standards Commission for Scotland and Scottish Information Commissioner.

Following discussion, the Committee noted the report.

6. **Performance audit: emerging messages – Equal Pay**

The Committee considered a report by the Director of PABV advising of the emerging messages from the performance audit on equal pay.

Following discussion, the Committee agreed to:
• To endorse the emerging messages, subject to a small number of revisions and other points to be addressed by the audit team in conjunction with the audit sponsors.

• Note how protracted communication with councils around data gathering early in the audit process has necessitated a delay in the publication of the report as had been reported to the Commission at its meeting in August 2016.

• Further in this regard, that a draft report be taken to the meeting of the Commission in June, with a view to publishing the report in July or August 2017.

7. Review of Housing Benefit Subsidy certification issues 2015/16

The Committee considered a report by the Assistant Auditor General advising of the outcomes from a recent review of the 2015/16 auditors’ Housing Benefit (HB) subsidy certification letters.

Following discussion, the Committee agreed:

• To endorse the paper.

• To note advice from the Assistant Auditor General that matters raised in the review would be further considered in the annual report to the Commission on benefits administration audit work.

8. Briefing: digital audit

The Committee considered a presentation by Gemma Diamond, Senior Manager, PABV on digital audit and digital developments in local government in Scotland.

Following the presentation, the Committee:

• Agreed that the Director consider the following as part of the project:
  o Effect on council employment.

• Endorsed the objectives, priorities and next steps of the project.

• Agreed that further updates be provided, with Commission input to the project provided, as required.

  Actions: Director of PABV

The Chair thanked Gemma Diamond for her presentation.

9. Any other business

There being no further business, the meeting was closed.
Introduction
1. This paper provides updated information on the previous minutes of the Committee.

Updated information
2. The Accounts Commission, at its meeting of 11 May 2017, approved the attached minutes of the Committee of 27 April 2017.

Conclusion
3. The Committee is asked to note:
   - The attached minute.
   - Any other updates provided at today’s meeting.

Paul Reilly
Secretary to the Commission
16 August 2017
Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 102 West Port, Edinburgh on Thursday, 27 April 2017, at 10am.

PRESENT: Graham Sharp (Chair)
Sheila Gunn
Ronnie Hinds
Tim McKay
Pauline Weetman
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit [Item 7]
Russell Frith, Assistant Auditor General [Item 6]
Fiona Kordiak, Director of Audit Services [Item 4]
Anne MacDonald, Senior Audit Manager, Audit Services [Item 4]
Paul O’Brien, Senior Manager, Audit Strategy [Item 6]
Rebecca Seidel, Audit Manager, Performance Audit and Best Value (PABV) [Item 7]
Nick Bennett, Partner, Scott Moncrieff [Items 4 and 5]

1. Apologies for absence
2. Declarations of interest
3. Minutes of meeting of 23 February 2017
4. Current Issues from the local authority audits
5. The auditor perspective: Scott Moncrieff
6. Accounting and Auditing Update
8. Any other business
1. **Apologies**

It was noted that there were no apologies for absence.

2. **Declarations of interest**

The following declarations of interest were made:

- Ronnie Hinds, in item 4, as a former chief executive of Fife Council, in relation to references to Dunfermline Flood Prevention Scheme.
- Pauline Weetman, in item 4, as a resident of the city of Edinburgh, in relation to references to City of Edinburgh Council.

3. **Minutes of meeting of 23 February 2017**

The minutes of the meeting of 23 February 2017 were noted and approved as a correct record.

4. **Current issues from the local authority audits**

The Committee considered a report by the Controller of Audit advising of emerging issues and recurring themes, as well as individual issues of interest, arising from audit work in Scottish councils.

In the absence of the Controller of Audit, the report was presented by the Director of Audit Services.

During discussion, the Committee agreed:

- To note advice from the Controller of Audit that he would monitor matters in relation to Musselburgh racecourse and Wellington Brae cycle path in Aberdeen.
- To note advice from the Controller of Audit that he had been in correspondence with the chief executive of Fife Council in relation to the Dunfermline Flood Prevention Scheme.
- Further in this regard that the Controller of Audit continue to monitor the situation with a view to updating the Committee as appropriate.
- In relation to city and growth deals, that cohesion and coordination of current initiatives be considered in scoping for the forthcoming performance audit in this regard.

  *Action: Director of PABV*

- That the Controller of Audit provide further information on the progress of various councils’ approaches to restoration and remedial work in relation to former opencast works.
- That the Controller of Audit provide further information on the progress of council collaboration with CGI on ICT services.

  *Actions: Controller of Audit*

- To recommend to the Performance Audit Committee that the scoping of the proposed performance audit on arm’s length external organisations (ALEOs) include analysis of the net benefit to the public purse of the use of ALEOs (ie beyond tax and non-domestic rate savings).

  *Action: Secretary*
• To note advice from the Secretary that there would be a briefing to the Commission later in the year on the progress of health and social care integration.

• In relation to Edinburgh schools, to note information on the matter provided by the local auditor to the Controller of Audit and, accordingly:
  o To await further advice from the Controller of Audit following the publication of the annual audit report in September.
  o To defer consideration of any further action in this regard.

Thereafter, the Committee noted the report.

5. The auditor perspective: Scott Moncrieff

The Committee considered a paper by the Secretary on the latest in a series of presentations from auditors on the auditor perspective of audit work in the context of the new Code of Audit Practice and audit planning guidance.

The Chair welcomed Nick Bennett, Partner of Scott Moncrieff, who led a presentation in this regard.

During discussion, the Committee agreed:

• To recommend to the Commission that it consider, as it reviews its Strategy, the views expressed by Nick Bennett in relation to scope for better articulation and alignment of strategic audit priorities, audit dimensions and Best Value requirements.

• To continue to encourage a more consistent approach across audits to developing and maintaining fruitful dialogue between auditors and elected members.

• To note the potential of making more use of ‘soft’ and ‘hard’ intelligence on the performance of council services, provided by auditors, in the Commission’s overview reporting.

Thereafter, the Chair thanked Nick Bennett for his presentation.

6. Accounting and Auditing Update

The Committee considered a report by the Assistant Auditor General advising of recent accounting and auditing developments affecting the public sector, particularly local government in Scotland.

Following discussion, the Committee agreed to note the report.


The Committee considered a report by the Secretary proposing a response to a consultation by the Scottish Parliament’s Budget Process Review Group on its interim report.

Following discussion, the Committee agreed:

• To recommend to the Commission that the response be made jointly with the Auditor General and delegated to the Chair for sign-off.
• The terms of the response, subject to revisions to be incorporated by the Assistant Director of Audit Services in his drafting of the final response.

  Action: Assistant Director of Audit Services

8. Any other business

The Chair, having advised that there was no further business, closed the meeting.
Introduction
1. This paper provides updated information on the previous minutes of the Committee.

Updated information
2. At its meeting on 9 November 2017, the Commission approved the attached minute as a correct record.

Conclusion
3. The Committee is asked to note:
   - The attached minute.
   - Any other updates provided at today’s meeting.

Paul Reilly
Secretary to the Commission
14 November 2017
Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 8 Nelson Mandela Place, Glasgow on Thursday, 28 September 2017, at 10am.

PRESENT:
- Graham Sharp (Chair)
- Tim McKay
- Pauline Weetman
- Geraldine Wooley
- Sheila Gunn

OTHER COMMISSION MEMBERS PRESENT:
- Christine May [Items 7 and 8]

IN ATTENDANCE:
- Paul Reilly, Secretary to the Commission
- Fiona Kordiak, Director of Audit Services
- Tim Bridle, Manager, Audit Strategy [Item 7]
- Carol Calder, Senior Manager, Performance Audit and Best Value (PABV) [Item 8]
- Russell Frith, Assistant Auditor General [Item 4]
- Mark McCabe, Senior Manager, PABV [Item 7]
- Ronnie Nicol, Assistant Director, PABV [Items 7 and 8]
- Andy Shaw, Director, KPMG [Item 6]
- Sally Thompson, Audit Manager, PABV [Item 8]
- Michael Wilkie, Senior Manager, KPMG [Item 6]

1. Apologies for absence
2. Declarations of interest
3. Minutes of meeting of 24 August 2017
4. Current issues from the local authority audits
5. Intelligence report
6. The auditor perspective: KPMG
7. Local government financial overview: emerging messages
8. Local government overview: scope
9. Any other business
1. **Apologies**

   It was noted that apologies for absence had been received from Fraser McKinlay, Controller of Audit and Director of PABV.

2. ** Declarations of interest**

   The following declarations of interest were made:
   
   - Sheila Gunn, in items 4 and 5, as a non-executive Director of the Wheatley Group, in relation to various references to housing matters.
   
   - Geraldine Wooley, in item 4, as a part-time lecturer with the Open University, in relation to references to education initiatives.

3. **Minutes of meeting of 24 August 2017**

   The minutes of the meeting of 24 August 2017 were approved as a correct record.

   Arising therefrom, the Committee:
   
   - In relation to item 4, second bullet point, in response to a query from Tim McKay, noted that the further information requested by the Committee was on how ‘affordability’ featured in the Council’s consideration of the matter.
     
     *Action: Controller of Audit*
   
   - In relation to item 7, noted that Commission views on the quality of outputs is an integral part of the quality assurance framework which will require further consideration.
     
     *Action: Assistant Auditor General and Secretary*

4. **Current issues from the local authority audits**

   The Committee considered a paper by the Controller of Audit, presented by the Director of Audit Services, advising of emerging issues and recurring themes, as well as individual issues of interest, in Scottish councils.

   During discussion, the Committee agreed:
   
   - To note advice from the Director that further information would be submitted to the Committee at its next meeting on matters around the signing-off of accounts.
   
   - In relation to a query from Pauline Weetman, that further information be provided on the auditor’s opinion in relation to the cancelled waste treatment facility in Scottish Borders Council.
   
   - To note advice from the Secretary, in relation to a query from Tim McKay in relation to the performance audit report on arm’s length external organisations, of which he is sponsor, that the audit team would liaise with him with regard to the case studies to be used in the audit.
   
   - In relation to a query from Pauline Weetman, that further information be provided on the joint venture between Aberdeen City Council and Hunchbuzz Limited.
     
     *Actions: Controller of Audit*

   Thereafter, the Committee noted the report.
5. **Intelligence report**

The Committee considered a report by the Secretary, providing an update of intelligence on councils emerging from Audit Scotland correspondence and the work of the Scottish Public Sector Ombudsman (SPSO), Commissioner for Ethical Standards in Public Life in Scotland, Standards Commission for Scotland and Scottish Information Commissioner.

During discussion, the Committee noted that this was the first such report to include information on correspondence dealt with by Audit Scotland.

Thereafter, the Committee noted the report.

6. **The auditor perspective: KPMG**

The Committee considered a paper by the Secretary on the latest in a series of presentations from auditors on the auditor perspective of audit work in the context of the first year’s implementation of the new Code of Audit Practice and audit planning guidance.

The Chair welcomed Andy Shaw, Director, and Michael Wilkie, Senior Manager, KPMG, who undertook a presentation in this regard.

During discussion, the Committee agreed to recommend to the Commission that the strengths, challenges and risks set out by Andy Shaw and Michael Wilkie be considered in relation to the development of future planning guidance by Audit Scotland, including in relation to:

- Positive client feedback
- Integrated and risk-based features of the audit approach
- Scope for better articulation and alignment of strategic audit priorities, audit dimensions and Best Value requirements
- Scalability in relation to audit of small bodies
- Reporting and sharing good practice
- Consistency in judgements and audit reporting.

Thereafter, the Chair thanked Andy Shaw and Michael Wilkie for their presentation.

*Action: Secretary*

7. **Local government financial overview: emerging messages**

The Committee considered a report by the Director of PABV proposing the emerging messages for the 2016/17 local government financial overview report.

During discussion, the Committee agreed:

- To endorse the emerging messages, subject to a small number of revisions and other points to be addressed by the report team in conjunction with the report sponsors.
- That a draft report be taken to the Commission meeting in November, prior to publication in that month.
- To endorse proposals for promoting the publication of the report, in advance of a promotion strategy being considered at the Commission meeting in November.

*Actions: Director of PABV*
8. **Local government overview: scope**

The Committee considered a report by the Director of PABV proposing the scope for the 2016/17 local government overview report.

During discussion, the Committee agreed:

- To approve the proposed scope of the 2016/17 local government overview report.
- To note that emerging messages and promotion strategy would be presented to the Committee at its meeting in November 2017.

*Action: Director of PABV*

9. **Any other business**

The Chair, having advised that there was no further business, closed the meeting.
Introduction

1. This paper provides updated information on the previous minute of the Committee.

Updated information

2. At its meeting on 11 January 2018, the Commission approved the attached minute as a correct record.

Conclusion

3. The Committee is asked to note:
   - The attached minute.
   - Any other updates provided at today’s meeting.

Paul Reilly
Secretary to the Commission
7 February 2018
Minutes of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland at 102 West Port, Edinburgh, on Thursday 30 November 2017, at 10.00am.

PRESENT: Pauline Weetman (Chair)
Sheila Gunn
Tim McKay
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Carol Calder, Senior Manager, PABV (Item 7)
Russell Frith, Assistant Auditor General (Item 6)
John Gilchrist, Manager, Appointments & Assurance Team (Item 6)
Morgan Kingston, Senior Auditor, ASG (Item 8)
Anne MacDonald, Senior Audit Manager, ASG (Item 4)
Keith Macpherson, Head - Government & Public Sector Audit, Scotland, EY (Item 5)
Ronnie Nicol, Assistant Director, PABV (Item 7)
Paul O’Brien, Senior Manager, Professional & Support Team (Item 9)
Michael Oliphant, Senior Audit Manager, ASG (Item 8)
Owen Smith, Senior Manager, Appointments & Assurance Team (Item 6)
Stephen Reid, Partner, EY (Item 5)

Item No | Subject
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1. | Apologies for absence
2. | Declarations of interest
3. | Minutes of meeting of 28 September 2017
4. | Current issues from the local authority audits
5. | The auditor perspective: EY
6. | Audit quality: first report 2017/18
7. | Local government overview – emerging messages
8. | Briefing: Non Domestic Rate and Business Rates Incentive Scheme
9. | Accounting and auditing update
10. | Any other business
1. **Apologies for absence**

   It was noted that apologies for absence were received from Graham Sharp.

2. **Declarations of interest**

   The following declaration of interest was made:
   - Geraldine Wooley, in item 8, as a member of Fife Valuation Appeal Committee.

3. **Minutes of meeting of 28 September 2017**

   The minutes of the meeting of 28 September 2017 were approved as a correct record.

   Arising therefrom, the Committee:
   - In relation to item 3, first bullet point, in response to a query from Tim McKay, noted advice from the Controller of Audit that he was yet to report to the Committee on how ‘affordability’ featured in the Aberdeen City Council’s consideration of its capital bond.
   - In relation to item 4, fourth bullet point, in response to a query from Pauline Weetman, noted advice from the Controller of Audit that he would report further on Aberdeen City Council’s assessment of risk in relation to its joint venture with Hunchbuzz Limited.

     **Action: Controller of Audit**

4. **Current issues from the local authority audits**

   The Committee considered a paper by the Controller of Audit advising of emerging issues and recurring themes, as well as individual issues of interest, in Scottish councils.

   During discussion, the Committee agreed:
   - To recommend to the Commission that it advise council chief executives to stress to them the importance of councils ensuring the highest quality final accounts process, and that this be done following consideration by the Commission in February of the Controller of Audit’s Annual Assurance and Risk Report.
   - To continue its interest and receive information appropriately on the progress of councils’ contracts with CGI for information technology services.
   - That further information be provided on the arrangements in place around the masterplan for physical developments around Winchburgh, West Lothian.
   - That further information be provided on Scottish Borders Council’s review and ‘lessons learned’ activities around its cancelled waste management facility, including relating to the scoping of the contract.

     **Actions: Controller of Audit**

   Thereafter, the Committee noted the report.
The auditor perspective: EY

The Committee considered a paper by the Secretary on the latest in a series of presentations from auditors on the auditor perspective of audit work in the context of the first year’s implementation of the new Code of Audit Practice and audit planning guidance.

The Chair welcomed Stephen Reid, Partner, and Keith Macpherson, Head - Government & Public Sector Audit, Scotland, EY, who undertook a presentation in this regard.

During discussion, the Committee agreed to recommend to the Commission that the strengths, challenges and risks set out by Stephen Reid and Keith Macpherson be considered in the development of the approach to audit, including in relation to:

- Criticality of good auditor/client relationships
- Importance of the shared risk assessment process
- Alignment of strategic audit priorities, audit dimensions and Best Value requirements.

*Action: Secretary*

Thereafter, the Chair thanked Stephen Reid and Keith Macpherson for their presentation.

6. Audit quality: first report 2017/18

The Committee considered a report by the Assistant Director, Appointments and Assurance presenting the first Audit Quality report as part of the new Audit Quality Framework.

During discussion, the Committee agreed:

- That future versions of the report include:
  - Greater depth and coverage of reporting of quality issues beyond compliance matters.
  - More detail on the outcome of Financial Reporting Council audit quality inspection of audit service providers.
  - Clearer explanation in the introduction of responsibilities and lines of reporting of the report, including the role of the Appointments and Assurance Team.
  - More detail around modified opinions on accounts
  - More explanation around reporting of International Standard on Quality Control 1
  - More detail around material prior period errors.

- To note advice from the Assistant Director that further discussions with the Commission have to take place with regard to key performance indicators, with a view to reporting in this regard in the second audit quality report in Spring 2018.

- To note advice from the Assistant Director that further discussion will take place with the Commission in relation to ongoing development of:
  - Quality assurance in relation to performance audits and auditing Best Value
Approaches to gauging stakeholder feedback.

Following discussion, the Committee agreed to endorse the Audit Quality First Report 2017/18.

7. Local government overview – emerging messages

The Committee considered a report by the Director of PABV proposing the emerging messages for the 2017/18 local government overview report.

During discussion, the Committee agreed:

- To endorse the emerging messages, subject to a small number of revisions and other points to be addressed by the report team in conjunction with the report sponsors, Ronnie Hinds and Christine May.

- That a draft report be taken to the Commission meeting in March, prior to publication in April.

- To endorse proposals for promoting the publication of the report, including:
  - The report be used as the basis for a round of engagement events with council leaders and chief executives in spring 2018, as previously agreed by the Commission.
  - Reflecting the view of the Equalities Sub-Group, articulated by Christine May, that the messages of the report be targeted at individual groups.
  - Targeting the report’s messages to newly elected members.
  - Considering any links between the report and the CIPFA/Institute for Government Performance Tracker publications.
  - Targeting professional conferences.

Actions: Director of PABV & Secretary

8. Briefing: Non Domestic Rate and Business Rates Incentive Scheme

The Committee considered a report by the Director of PABV providing the updated position in relation to Non-Domestic Rates (NDR) in Scotland.

During discussion, the Committee agreed:

- To note that on 29 November, the Scottish Government had announced that leisure and cultural venues currently run by council arm’s-length bodies will continue to benefit from charity relief from non-domestic rates, and thus not accepting the recommendation of the Barclay Review to end this benefit.

- To continue to review audit implications in this policy area, including any matters arising from the Scottish Budget 2018/19.

Following discussion, the Commission noted the update.

9. Accounting and auditing update

The Committee considered a report by the Assistant Auditor General advising of recent accounting and auditing developments affecting the public sector, particularly local government in Scotland.
During discussion, the Committee agreed to note advice from the Director of Audit Services that further information on proposed training and development around professional scepticism would be reported to the Commission.

Following discussion, the Commission noted the update.

10. **Any other business**

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