

**Performance Audit
Committee minutes**

2016

MINUTES OF MEETING OF PERFORMANCE AUDIT OF 25 FEBRUARY 2016

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, 102 West Port, Edinburgh on Thursday, 25 February 2016, at 2pm.

PRESENT: Ronnie Hinds (Chair)
 Alan Campbell
 Sandy Cumming
 Sophie Flemig
 Christine May
 Stephen Moore
 Douglas Sinclair

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
 Fraser McKinlay, Director of PABV
 Antony Clark, Assistant Director, PABV [Item 5]
 Angela Cullen, Assistant Director, PABV [Item 6]
 Graeme Greenhill, Senior Manager, PABV [Item 6]
 Mark McCabe, Senior Manager, PABV [Item 8]
 Gordon Neill, Senior Manager, PABV [Item 8]
 Rebecca Smallwood, Auditor, PABV [Item 7]
 Shelagh Stewart, Audit Manager, PABV [Item 6]
 Claire Sweeney, Assistant Director, PABV [Items 4 and 7]
 Peter Worsdale, Audit Manager, PABV [Item 5]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 26 November 2015
4.	Work program update
5.	How councils work: scope – Follow-up work on Roles and relationships
6.	Performance audit: emerging messages – Roads maintenance
7.	Performance audit: impact report – Reshaping care for older people
8.	Policy briefing: Communities, health and care cluster
9.	Any other business

1. Apologies for absence

It was noted that apologies for late arrival had been received from Sophie Flemig.

2. Declarations of interest

The following declarations of interest were made:

- Christine May, in items 4 and 5, as Vice-Chair of Fife Cultural Trust.
- Ronnie Hinds, in item 7, as a non-executive Director of the Scottish Government.

3. Minutes of meeting of 26 November 2015

The minutes of the meeting of 26 November 2015 were approved.

Arising therefrom:

- In relation to item 7 (Performance audit: impact report – procurement in councils), advice from the Secretary was noted that the report was published on 8 February 2016, and the Chair has written to leaders of councils (copied to chief executives and members of the Scotland Excel Joint Committee) and the Minister for Local Government and Planning commending the report.
- In relation to item 8, second bullet point (Housing benefit audit: scope – *Good management practice in housing benefit administration*), advice from the Secretary was noted that discussions were ongoing around sponsorship of the audit.
- In relation to item 9, second bullet point (Independent review of Scotland's planning system), advice from the Secretary was noted that the matter was covered in his report to the Commission at its January meeting.

4. Work programme update

The Committee considered a report by the Director of PABV providing an update on progress with the range of work carried out on behalf of the Accounts Commission and Auditor General.

During discussion, the Committee agreed:

- To note advice from the Director:
 - in response to a query from Stephen Moore in relation to activity around community justice, that the team would consider issues around court reform.
 - in response to a query from Stephen Moore in relation to children with disabilities, that he would ensure adequate reflection of the issue in forthcoming briefing papers in relation to education and learning activity.
 - in response to a query from Alan Campbell in relation to wider equalities issues associated with equal pay, that the team would consider this in scoping the proposed audit work in this regard.
 - in response to a query from Sandy Cumming in relation to college issues, that these would feature in the College sector overview report by the Auditor General.

- in response to a query from Sophie Flemig in relation to the implications of the European referendum on audit work, that he would be considering this issue further, and would keep the Commission updated in this regard.
- That future reports set out clearly the allocation of audit and other work between the Commission, the Auditor General and joint work.

Actions: Director of PABV

Thereafter, the Committee noted the report.

5. How councils work: scope – Follow-up work on Roles and relationships

The Committee considered a report by the Director of PABV inviting the committee to approve the proposed approach to follow-up work on the 2010 Accounts Commission *How councils work* report on roles and working relationships.

During discussion, the Committee agreed:

- To note the outputs from a 'round table' meeting of stakeholders held to explore issues worthy of inclusion in the scope of the work.
- That, in relation to a point raised at the round table event in relation to vulnerable users, that Director give further thought to the profile of vulnerable service users across work programme development and audit work.
- That the potential be considered of using the published report as a basis for development activities for the new intake of councillors following the 2017 local government elections.
- That further discussion take place in relation to the options for outputs arising from this work.
- To approve the approach to the follow-up audit work

Actions: Director of PABV

6. Performance audit: emerging messages – Road maintenance

The Committee considered a report by the Director of PABV advising of emerging messages from the performance audit *Roads maintenance*.

Following discussion, the Commission agreed:

- To endorse the emerging messages, subject to a number of revisions and other points to be addressed by the audit team in drafting the report of the audit, in conjunction with the sponsors of the report, Alan Campbell and Christine May.
- That a draft report be taken to the Commission meeting in May 2016.

Actions: Director of PABV

7. Performance audit: impact report – Reshaping care for older people

The Committee considered a report by the Director of PABV seeking approval on the impact of the *Reshaping care for older people* report.

Following discussion, the Committee agreed:

- To endorse the draft report.
- To recommend to the Commission that it be published.

- That the Director give further thought as to how to manage the messages between this report and other ongoing performance audits in relation to social care issues.

Actions: Director of PABV

8. Policy briefing: Communities, health and care cluster

The Committee considered briefing from the Director of PABV on the Communities, health and care cluster. The presentation was done by Gordon Neill, Senior Manager, PABV and Mark McCabe, Senior Manager, PABV.

During discussion, the Committee agreed:

- That a Commission member attend the proposed stakeholder meeting to discuss the scope of the proposed audit on housing.
- That relevant stakeholders in relation to the proposed audit on equal pay should include the Society of Directors of Personnel Scotland and the Local Authority Directors of Finance group.

Actions: Director of PABV

9. Any other business

There being no further business, the meeting was closed.

MEETING: 12 MAY 2016

MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 28 APRIL 2016

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, 102 West Port, Edinburgh on Thursday, 28 April 2016, at 2pm.

PRESENT: Ronnie Hinds (Chair)
Alan Campbell
Sandy Cumming
Sophie Flemig
Christine May
Stephen Moore
Douglas Sinclair

OTHER MEMBERS PRESENT: Pauline Weetman

IN ATTENDANCE: Rikki Young, Business Manager, PABV
Fraser McKinlay, Director of PABV
Russell Frith, Assistant Auditor General [Item 4]
Anne Cairns, Manager, Benefits (Technical), Audit Strategy [Item 4]
Angela Canning, Assistant Director, PABV [Item 9]
Angela Cullen, Assistant Director, PABV [Item 6]
Emily Gleeson, Audit Manager, PABV [item 6]
John Lincoln, Audit Manager, PABV [Item 7]
Mark McCabe, Senior Manager, PABV [Item 6]
Tricia Meldrum, Senior Manager, PABV [Items 7 and 9]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 26 November 2015
4.	Draft report: Housing benefit audit: emerging messages – initiatives which deliver continuous improvement
5.	Work programme and scrutiny work update
6.	Briefing: Equal pay – options for further work
7.	Performance audit: emerging messages – Social work
8.	How councils work: emerging messages – Roles and relationships
9.	Policy briefing: Justice, education and lifelong learning
10.	Any other business

1. Apologies for absence

It was noted that apologies for absence had been received from Paul Reilly.

2. Declarations of interest

The following declarations of interest were made:

- Christine May, in items 5,6 and 8, as Vice-Chair of Fife Cultural Trust and former Leader and Deputy Leader of Fife Council.
- Douglas Sinclair, in item 6, as former Chief Executive of CoSLA and former Chief Executive of Fife Council.
- Sophie Flemig, in item 5, as a current employee of the University of Edinburgh, and member of the board of the Office of the Scottish Charity Regulator (OSCR).
- Stephen Moore, in item 6 and 7, as a former Director of Social Work at Fife Council and East Ayrshire Council, and Interim Director of Health and Social Care Integration at Fife Council.
- Ronnie Hinds, in item 6, as a former Chief Executive of Fife Council

3. Minutes of meeting of 25 February 2016

The minutes of the meeting of 25 February 2016 were approved.

Arising there from, in relation to item 6 (Performance audit: emerging messages – Roads maintenance), the Committee noted advice from Christine May that:

- she was meeting with the audit team following this meeting to discuss the draft report in advance of it being considered at the May meeting of the Commission.
- a revised publication date for the report of 28 July had been agreed.

4. Draft report: Housing benefit audit: emerging messages – initiatives which deliver continuous improvement

The Committee considered a draft report by the Assistant Auditor General on Housing Benefit good practice guide.

Following discussion, the Committee agreed:

- To endorse the draft report, subject to further refinement of the appendix to increase its visual appearance and reduce length.
- To agree to the recommendation from the Financial Audit and Assurance Committee that the report be presented as an Accounts Commission publication.
- To recommend to the Commission that it be published.

Actions: Assistant Auditor General

- To note advice from the Business Manager that the Secretary is liaising with the Communications team to ensure the report and related reports are positioned appropriately on the Audit Scotland website.
- That the Secretary write to council leaders, Chief Executives and audit committee chairs alerting them to the publication of this report.

Actions: Secretary

5. Work programme and scrutiny work update

The Committee considered a report by the Director of PABV providing an update on progress with the range of work carried out by the Performance Audit and Best Value Group on behalf of the Accounts Commission and Auditor General.

During discussion, the Committee agreed to note advice from the Director:

- In relation to local police and fire scrutiny, that any work in this area would be joint work between the Commission and the Auditor General.
- In response to a query from Sandy Cumming in relation to the timing of audit work on City Deals, that a briefing on this topic will be brought to the May Commission meeting.
- In response to a query from Stephen Moore in relation to activity around community justice, that the Justice, education and lifelong learning cluster are considering issues around court reform and that future programme updates will reflect this work.

Actions: Director of PABV

Thereafter, the Committee noted the report.

6. Briefing: Equal Pay – options for further work

The Committee considered a report by the Director of PABV, providing a background to equal pay related issues, potential risks associated with audit work in this area and proposals for delivering this work.

Following discussion, the Committee:

- Noted the background to equal pay issues in local government in Scotland.
- Approved the proposed approach to the audit, subject to points raised in discussion being addressed by the audit team in conjunction with the audit sponsors.

Action: Director of PABV

- To this end, noted that sponsors would be appointed to the audit in early course.
- That further discussion take place between the Commission committee chairs, Commission Chair and Secretary regarding committee oversight of this work.

Actions: Secretary

7. Performance audit: emerging messages – Social work

The Committee considered a report by the Director of PABV advising of emerging messages from the performance audit *Social work in Scotland*.

Following discussion, the Commission agreed:

- 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.
- That a draft report be taken to the Commission meeting in August, prior to publication in September 2016.

Actions: Director of PABV

8. How councils work: emerging messages – Roles and relationships

The Committee considered a report by the Director of PABV providing an update on the progress with the follow-up work on *How councils work: Roles and working relationships*.

Following discussion, the Committee agreed:

- The key messages arising from the second round table event.
- To approve the guidance materials resulting from the round table events, subject to a number of revisions and other points to be addressed by the audit team in conjunction with the audit sponsors.
- That further consideration be given to the proposed timing for the publication and promotion of outputs between May and the end of 2016.
- That these outputs be considered for formal approval at the May Accounts Commission meeting.

Actions: Director of PABV

9. Policy briefing: Justice, education and lifelong learning cluster

The Committee considered briefing from the Director of PABV on the Justice, education and lifelong learning cluster. The presentation was delivered by Angela Canning, Assistant Director, PABV and Tricia Meldrum, Senior Manager, PABV.

During discussion, the Committee agreed:

- To note the continuing high quality of policy briefings presented to the Committee.
- That the team make more explicit the impact and interdependencies between justice, education and lifelong learning.

Action: Director of PABV

10. Any other business

There being no further business, the meeting was closed.

PERFORMANCE AUDIT COMMITTEE

MEETING: 24 NOVEMBER 2016

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 10 November 2016, approved the attached minutes of the Performance Audit Committee of 22 September 2016.

Conclusion

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

Paul Reilly
Secretary to the Commission
16 November 2016

MEETING: 10 NOVEMBER 2016

MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 22 SEPTEMBER 2016

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of held in the offices of Audit Scotland, 8 Nelson Mandela Place, Glasgow on Thursday, 22 September 2016, at 2pm.

PRESENT: Ronnie Hinds (Chair)
Alan Campbell
Sandy Cumming
Christine May
Douglas Sinclair

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Director of PABV
Carol Calder, Senior Manager, PABV [Item 6]
Angela Canning, Assistant Director, PABV [Item 8]
Antony Clark, Assistant Director, PABV [Items 4 and 7]
Lorraine Gillies, Senior Manager, PABV [Item 7]
Mark McCabe, Senior Manager, PABV [Items 6 and 8]
Cathy MacGregor, Audit Manager, PABV [Item 7]
Zoe McGuire, Auditor, PABV [Item 7]
Tricia Meldrum, Senior Manager, PABV [Item 5]
Rebecca Smallwood, Senior Auditor, PABV [Item 5]
Natalie Sorbie, Senior Auditor [Item 8]
Shelagh Stewart, Audit Manager, PABV [item 5]
Rikki Young, Business Manager, PABV [Item 4]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 28 April 2016
4.	Work Programme Update
5.	Performance audit: scope – Early Learning and Childcare
6.	Policy briefing: Health, Care and Communities
7.	Performance audit: scope – Self directed support – follow up
8.	Local Government overview: scope
9.	Any other business

1. Apologies for absence

It was noted that apologies for absence had been received from Sophie Flemig and Stephen Moore.

2. Declarations of interest

The following declaration of interest was made:

- Christine May, in items 4 and 8, as Vice-Chair of Fife Cultural Trust, in relation to references to arm's length external organisations

3. Minutes of meeting of 28 April 2016

The minutes of the meeting of 28 April 2016 were noted and approved as a correct record.

Arising therefrom, the Committee noted advice from the Secretary that:

- In relation to item 3, the Chair had written to council leaders, chief executives and audit committee chairs advising them of the publication of the report *Housing benefit audit: initiatives which deliver continuous improvement*, and a copy of the letter was available on the members' extranet portal.
- In relation to item 6, he had agreed with the Commission Chair and Deputy Chair that the Financial Audit and Assurance Committee would oversee the performance audit on equal pay.

4. Work Programme Update

The Committee considered a report by the Director of PABV providing an update of progress of the work programme published on behalf of the Accounts Commission and Auditor General. It also provided an update on recent developments in implementing a more strategic approach to Parliamentary engagement to inform programme development activity.

Following discussion, the Committee agreed:

- Following a query from Sandy Cumming, to note advice from the Director that Audit Scotland's New Financial Powers Working Group continued to monitor developments in relation to the referendum decision that the UK leave the European Union, and that an update from the Group would be presented to the Commission at its next meeting.
- Following a query from Christine May, to note advice from the Director that part of this ongoing monitoring would include implications for employability policy.
- That council borrowing, particularly in relation to innovative financing, be considered in the context of the proposed refresh of the work programme to be considered by the Commission in December.
- Further in this regard to note advice from the Director that this issue would also be addressed in the forthcoming impact report for the *Borrowing and Treasury Management* performance audit
- That links between attainment and the Curriculum for Excellence be considered in the context of the proposed refresh of the work programme.

Actions: Director of PABV

Thereafter, the Commission noted the report.

5. Performance audit: scope – Early Learning and Childcare

The Committee considered a report by the Director of PABV seeking approval of the approach to the performance audit *Early Learning and Childcare*.

Following discussion, the Committee approved the approach proposed in the report, including the proposed audit scope leaflet for publishing, subject to the audit team addressing the issues raised in discussion in conjunction with the audit sponsors, Alan Campbell and Geraldine Wooley.

Actions: Director of PABV

6. Policy Briefing: Health, Care and Communities

The Committee considered a briefing from the Director of PABV on the Health, Care and Communities cluster. The presentation was delivered by Carol Calder and Mark McCabe (Senior Managers, PABV).

Following discussion, the Committee:

- Noted that the contents of the briefing would be used to inform the proposed refresh of the work programme to be considered by the Commission in December.
- Noted the briefing.

Action: Director of PABV

7. Performance audit: scope – Self directed support – follow up

The Committee considered a report by the Director of PABV seeking approval of the approach to the performance audit *Self directed support – a follow up audit*.

Following discussion, the Committee approved the approach proposed in the report, including the proposed audit scope leaflet for publishing, subject to the audit team addressing the issues raised in discussion in conjunction with the audit sponsors, Sandy Cumming and Sophie Flemig.

Actions: Director of PABV

8. Local government overview 2017: scope

The Committee considered a report by the Director of PABV seeking approval of the approach to the local government overview 2017.

Following discussion, the Committee:

- Approved the approach proposed in the report, subject to the audit team addressing the issues raised in discussion in conjunction with the report sponsors, Douglas Sinclair and Ronnie Hinds.
- Agreed to recommend to the Commission that, following publication of the report in spring 2017, the Commission review the consistency between the two local government overview products, in terms of content, messages and style.

Actions: Director of PABV

9. Any other business

There being no further business, the meeting was closed.

PERFORMANCE AUDIT COMMITTEE

MEETING: 23 FEBRUARY 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 8 December 2016, approved the attached minutes of Committee of 24 November 2016, subject to, in relation to item 5, replacing the first bullet with:

To endorse the emerging messages, subject to a number of revisions and other points to be addressed by the audit team in drafting the report of the audit, in conjunction with the sponsors of the report, Douglas Sinclair and Ronnie Hinds.

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
15 February 2017

**MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 24 NOVEMBER
2016**

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of held in the offices of Audit Scotland, Audit Scotland, 102 West Port, Edinburgh on Thursday, 24 November 2016, at 2pm.

PRESENT: Ronnie Hinds (Chair)
 Douglas Sinclair
 Sandy Cumming
 Christine May
 Stephen Moore
 Sophie Flemig

OTHER COMMISSION
MEMBERS PRESENT: Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
 Angela Canning Assistant Director, Performance Audit and Best
 Value (PABV)
 Antony Clark, Assistant Director, PABV [Item 4]
 Gemma Diamond, Senior Manager, PABV [Items 6 and 7]
 Graeme Greenhill, Senior Manager, PABV [Items 6 and 7]
 Mark McCabe, Senior Manager, PABV [Items 5]
 Gordon Smail, Senior Manager, PABV [Item 7]
 Natalie Sorbie, Senior Auditor, PABV [Item 5]
 Sally Thompson, Audit Manager, PABV [Item5]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 22 September 2016
4.	Work Programme Update
5.	Local government overview – emerging messages
6.	Performance audit: impact report – Borrowing and treasury management
7.	Policy briefing: Public investment, environment and infrastructure
8.	Any other business

1. Apologies for absence

It was noted that apologies for absence had been received from Alan Campbell.

2. Declarations of interest

The following declaration of interest was made:

- Ronnie Hinds, in item 7, as a former chief executive of Fife Council, in relation to reference to Dunfermline Flood Prevention Scheme.
- Christine May, in items 4, 5 and 7, as Vice-Chair of Fife Cultural Trust, in relation to references to arm's length external organisations, and in item 7, as a former leader of Fife Council, in relation to reference to Dunfermline Flood Prevention Scheme.
- Stephen Moore, in item 7, as a chief officer of Fife Council, in relation to reference to Dunfermline Flood Prevention Scheme.
- Douglas Sinclair, in item 7, as a former chief executive of Fife Council, in relation to reference to Dunfermline Flood Prevention Scheme.

3. Minutes of meeting of 22 September 2016

The minutes of the meeting of 22 September 2016 were noted and approved as a correct record.

4. Work Programme Update

The Committee considered a report by the Director of PABV providing an update of progress of the work programme published on behalf of the Accounts Commission and Auditor General.

Following discussion, the Committee agreed:

- To note advice from the Assistant Director of PABV that he was discussing with the Secretary how to revise the format of future reports to the committee.
- Further in this regard, that thought be given to:
 - Better profiling of the Commission's strategic audit priorities
 - Separating audit outputs from implications and outcomes.
- To recommend to the Commission that the following be considered as part of the refresh of the work programme:
 - Local government support for public transport.
 - Community justice, particularly around local issues (although noting in this regard the ongoing inquiry by the Parliament's Justice Committee into the role and purpose of the Crown Office and Procurator Fiscal Service.
 - The involvement of other scrutiny partners such as Education Scotland in work around educational attainment.
- That more information on the progress of health and social care integrated authorities be provided to the Commission.

Actions: Director of PABV

Thereafter, the Commission noted the report.

5. Local government overview – emerging messages

The Committee considered a report by the Director of PABV inviting the Committee to consider the emerging messages for *Local government in Scotland 2017: Performance and challenges*.

Following discussion, the Committee:

- To approve the draft report, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Douglas Sinclair and Ronnie Hinds.
- Agreed that a draft report be brought to the Commission meeting on 9 February 2017, prior to publication in March 2017.

Actions: Director of PABV

6. Performance audit: impact report – Borrowing and treasury management

The Committee considered a report by the Director of PABV on the impact of the previous performance audit *Borrowing and Treasury Management*.

Following discussion, the Committee agreed:

- To endorse the report and to recommend to the Commission that it be published.
- To recommend to the Commission that as part of the refresh of the work programme, the following package be considered:
 - A performance audit report on the value for money of financing infrastructure investment through private finance, with a particular focus on the non-profit distributing model.
 - An alternative output on financing commitment, incorporating more analysis and narrative than the financial overview.
 - Further reporting of the issues raised in the report in the local government overview report.

Actions: Secretary and Director of PABV

- That the Secretary discuss with the Controller of Audit how issues raised in the report be covered in the annual audit.

Action: Secretary and Controller of Audit

- That the Secretary discuss with the Committee Chair and Commission Chair how to promote the report.
- As part of the promotion of the report, to discuss the issues raised with CIPFA Directors of Finance Section.
- That it be recommended to the Commission that it include in its committee day speaking programme a representative of CIPFA.

Actions: Secretary

7. Policy briefing: Public investment, environment and infrastructure

The Committee considered a briefing from the Director of PABV on the Public Investment, Environment and Infrastructure cluster. The presentation was delivered by Gemma Diamond, Graeme Greenhill and Gordon Smail. Following discussion, the Committee:

- Noted that the contents of the briefing would be used to inform the proposed refresh of the work programme to be considered by the Commission in December.
- Agreed that issues arising from the Scottish Parliament Information Centre briefing *The social impact of the 2016-17 local government budget* be considered as part of the local government overview report.
- That the Director provide an update on Audit Scotland's data analytics activities.

Actions: Director of PABV

Thereafter, the Committee noted the briefing and the Director thanked Gemma Diamond, Graeme Greenhill and Gordon Smail for their presentation.

8. Any other business

There being no further business, the meeting was closed.