

**Performance Audit
Committee minutes**

2017

PERFORMANCE AUDIT 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, approved the attached minutes of the Committee of 23 February 2017 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
19 April 2017

MEETING: 9 MARCH 2017

MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 23 FEBRUARY 2016

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, Audit Scotland, 102 West Port, Edinburgh on Thursday, 23 February 2017, at 2pm.

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

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Director Performance Audit and Best Value
Carol Calder, Senior Manager, PABV [Item 7]
Antony Clark, Assistant Director, PABV [Items 4 and 5]
Gemma Diamond, Senior Manager, PABV [Item 6]
Lorraine Gillies, Senior Manager, PABV [Item 5]
Cathy MacGregor, Audit Manager, PABV [Item 5]
Mark McCabe, Senior Manager, PABV [Item 7]
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 24 November 2016
4.	Work Programme Update
5.	Performance audit: emerging messages – Self-directed support (follow-up)
6.	Briefing: digital audit
7.	Policy briefing: health, care and communities
8.	Any other business

1. Apologies for absence

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

2. Declarations of interest

Christine May declared an interest in items 4 and 7, as Vice-Chair of Fife Cultural Trust, in relation to references to arm's length external organisations.

3. Minutes of meeting of 24 November 2016

The minutes of the meeting of 24 November 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:

- That future such reports make a clearer link with the Commission's strategic priorities.

Action: Director of PABV

- To note advice from the Director of PABV that he was working with the Secretary on how the Commission's committees consider programme development activity.
- Further in this regard, that members provide the Secretary with any comments to this end.

Thereafter, the Commission noted the report.

5. Performance audit: emerging messages – Self-directed support (follow-up)

The Committee considered a report by the Director of PABV advising of the emerging messages for the performance audit *Self-directed support: follow-up*.

Following discussion, the Committee 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 the audit team liaise with the sponsors and the Auditor General on completion of some remaining audit fieldwork.
- That a draft audit report be brought to the Commission meeting in May 2017, prior to publication in July 2017.

Actions: Director of PABV

6. 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:

- Noted advice from the Secretary of how the matters raised in the presentation affected the Committee's role.
- Noted that the Director consider the following as part of the project:
 - Implications for equalities and accessibility
 - Effect on council employment
 - Effect on the quality of the service experienced by the citizen, and the consistency across councils in this regard
 - Effect on service efficiency and effectiveness of better data management, such as in health and social care integration
 - How digital matters affect, and feature in, Best Value audit reports.
- 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.

7. Policy briefing: Health care and communities

The Committee considered a briefing from the Director of PABV on matters associated with the Health, Care and Communities cluster. The presentation was delivered by Carol Calder and Mark McCabe.

Following discussion, the Committee:

- Noted advice from the Director that a briefing on progress with community empowerment would be made to a future meeting of the Committee.
- Agreed that the Director consider how to present information showing the relationship between resource pressures of integration boards and their performance.

Actions: Director of PABV

Thereafter, the Committee noted the briefing and the Director thanked Carol Calder and Mark McCabe for their presentation.

8. Any other business

There being no further business, the meeting was closed.

PERFORMANCE AUDIT COMMITTEE

MEETING: 15 JUNE 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 11 May, approved the attached minutes of the Committee of 27 April 2017 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
6 June 2017

MEETING: 11 MAY 2017

MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 27 APRIL 2017

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, 27 April 2017, at 2pm.

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

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Director Performance Audit and Best Value (PABV)
Derek Hoy, Audit Officer, PABV [Item 5]
Tricia Meldrum, Senior Manager, PABV [Items 7 and 8]
Mark MacPherson, Senior Manager, PABV [Item 7]
Mark Roberts, Senior Manager, PABV [Item 7]
Rebecca Seidel, Audit Manager, PABV [Item 6]
Peter Worsdale, 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 23 February 2017
4.	Work Programme Update
5.	Performance audit: scope – <i>Are ALEOs improving council services?</i>
6.	Scottish Parliament Budget Process Review Group – consultation
7.	Policy briefing: Justice, education and learning
8.	Policy briefing: Pathways to positive destinations for looked after children and children with additional support needs
9.	Any other business

1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of interest

The following declarations of interest were made:

- Sandy Cumming, in item 7, as Chair of Scotland's Rural College (SRUC), in relation to references to rural issues.
- Sophie Flemig, in item 5, as a Board member of the Office of the Scottish Charity Regulator (OSCR), in relation to references to that organisation.
- Christine May, in items 8, 9 and 12, as Chair of Fife Cultural Trust, in relation to references to arm's length external organisations. She took no part in the discussion thereof.

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, subject to the inclusion of Alan Campbell amongst those present.

Arising therefrom, in relation to item 5, the Committee noted advice from the Director of PABV that a draft report of the performance audit on self-directed support would be considered by the Commission at its June meeting.

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.

During discussion, the Committee agreed:

- To note advice from the Secretary that:
 - The work programme had been 'launched' on the Commission website, supported by various promotional material, on 25 April.
 - Further in this regard, he had written to all council chief executives on the outcome of the Commission's consultation on the work programme, including responding directly to the points raised by respondents.
 - To note that the Commission maintains an interest in the performance of all council services through its interest in the Scottish Local Government Benchmarking Framework and in the audit of Best Value.
- To maintain an interest in the changes to revenue streams of councils throughout the year, with a view to this featuring as appropriate in overview reporting.
- To note, following a query by Alan Campbell, advice from the Director on involvement of Audit Scotland staff in its strategic planning and management.
- To endorse the proposal that in lieu of an impact report for the performance audit *Major capital investment in councils*, published in January 2016, audit aspects of capital investment relating to this audit work be included within the proposed performance audits on City Deals and on Non-Profit Distributing models of capital financing.

- That, following a query by Ronnie Hinds, commercial activities of councils feature as part of the scope of the local government overview report.

Actions: Director of PABV

Thereafter, the Commission noted the report.

5. Performance audit: scope – Are ALEOs improving council services?

The Committee considered a report by the Director of PABV seeking approval of the approach to the performance audit *Are ALEOs improving council services?*

Following discussion, the Committee agreed:

- To endorse the recommendation of the Financial Audit and Assurance Committee that the scope of the audit include analysis of the net benefit to the public purse of the use of ALEOs (ie beyond tax and non-domestic rate savings).
- 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, Tim McKay and Stephen Moore.

Actions: Director of PABV

6. Scottish Parliament Budget Process Review Group - consultation

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

7. Policy briefing: Justice, education and learning

The Committee considered a briefing from the Director of PABV on the Justice, education and learning policy cluster. The presentation was delivered by Mark MacPherson, Tricia Meldrum and Mark Roberts (Senior Managers, PABV).

During discussion, the Committee:

- Endorsed a continuing interest in matters around young people with additional support needs.
- Agreed that the Commission be represented at the proposed round table on educational attainment.
- 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

8. Policy briefing: Pathways to positive destinations for looked after children and children with additional support needs

The Committee considered a briefing on programme development work on looked after children and children with additional support needs.

Following discussion, the Committee:

- Agreed that the Director consider a round table event in this regard.
- Agreed that future work in this regard should recognise young people with additional support needs and looked after young people as separate groups.
- Endorsed its interest in how such matters feature in the ongoing performance audit on early learning and childcare.
- Endorsed its interest in further such briefings on appropriate policy areas.

Action: Director of PABV

9. Any other business

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

PERFORMANCE AUDIT COMMITTEE

MEETING: 24 AUGUST 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 10 August 2017, approved the attached minutes of the Committee of 15 June 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

MEETING: 10 AUGUST 2017

MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 15 JUNE 2017

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, 15 June 2017, at 10.00 am.

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

OTHER COMMISSION
 MEMBER PRESENT: Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
 Fraser McKinlay, Director of Performance Audit and Best Value (PABV)
 Antony Clark, Assistant Director, PABV [Items 4 & 6]
 Gemma Diamond, Senior Manager, PABV [Item 5]
 Mark Ferris, Senior Audit Manager, ASG [Item 5]
 Graeme Greenhill, Senior Manager, PABV [Item 5]
 Tricia Meldrum, Senior Manager, PABV [Item 6]
 Rebecca Smallwood, Senior Auditor, PABV [Item 6]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 27 April 2017
4.	Work Programme Update
5.	Policy briefing: Public investment, environment and economy
6.	Performance audit: emerging messages – Early learning and childcare
7.	Any other business

1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of interest

The following declarations of interest were made:

- Sandy Cumming, in item 6, since a close family member is employed by the Scottish Government in relation to early learning and childcare policy. Mr Cumming was not present in the room during consideration of this item.
- Ronnie Hinds, in item 6, as a non-executive director of the Scottish Government.

3. Minutes of meeting of 27 April 2017

It was noted that the Accounts Commission, at its meeting on 11 May, had noted and approved as a correct record the minutes of the meeting of the Committee of 27 April, including noting that Sandy Cumming had advised that he is Vice-Chair of Scotland's Rural College.

Arising therefrom, in relation to item 7, second bullet point, advice from the Director of PABV was noted that: (i) he had convened the 'round table' event for stakeholders concerned with school governance particularly around the Scottish Government's Pupil Equity Scheme; and (ii) he would keep the Commission updated on audit implications and for the work programme in this regard, including a planned further 'round table' event later in the year in relation to the Commission's proposed performance audit on educational attainment in 2018/19.

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 Director, in relation to a query from Ronnie Hinds, that he would be considering, as part of scoping for the proposed Auditor General performance audit on the Forth Replacement Crossing, the use of the existing bridge.
- To endorse the proposal in the report to revise the reporting timeline for the performance audit on Early learning and childcare

Action: Director of PABV

Thereafter, the Commission noted the report.

5. Policy briefing: Public investment, environment and economy

The Committee considered a briefing from the Director of PABV on matters associated with the Public investment, environment and economy cluster. The presentation was delivered by Gemma Diamond, Graeme Greenhill and Mark Ferris.

During discussion, the Committee:

- Noted advice from the Director, in response to a query from Sophie Flemig, that he would continue to closely monitor the implications for the work programme of policy developments in relation to climate change.

- Noted advice from the Director, in response to a query from Alan Campbell, how various planned performance audit work would feature matters around major capital projects.
- Agreed that Brexit would be an important factor worthy of monitoring in relation to workforce planning matters.
- Noted its interest in economic development issues and the planned performance audit in this regard in 2019/20, arising from which advice was noted from the Director that:
 - Such issues would also feature in other performance audits, and would have increasing prominence in the annual audit of the Scottish Government, overseen by the Auditor General
 - He would consider as part of the preparation and scoping of the planned performance audit the coherence between local government and national government's activities in this regard
 - In relation to a query from Ronnie Hinds, he was monitoring the economic implications of the Scottish Government's review of the planning system.
- Noted advice from the Director, in response to a query from Sophie Flemig, that he was monitoring various projects supported by the Scottish Council for Voluntary Organisations in relation to digital participation and literacy and numeracy.
- Agreed that the following be regarded as continuing areas of interest for the Committee:
 - The effect of Brexit on European fund distribution
 - Policy developments in relation to the Scottish Government's review of the planning system and community empowerment.
- Agreed that, for future policy briefings, enhance the local government aspects of policy development summaries.

Actions: Director of PABV

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

6. Performance audit: emerging messages – Early learning and childcare

The Committee considered a report by the Director of PABV advising of the emerging messages for the performance audit *Early learning and childcare*.

Following discussion, the Committee 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, Alan Campbell and Geraldine Wooley.
- That a draft audit report be brought to the Commission meeting in November or December 2017, prior to publication in January or February 2018.

Actions: Director of PABV

7. Any other business

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

PERFORMANCE AUDIT COMMITTEE

MEETING: 23 NOVEMBER 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. 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 PERFORMANCE AUDIT COMMITTEE OF 28 SEPTEMBER 2017

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 28 September 2017, at 10.00 am.

PRESENT: Christine May (Chair)
Alan Campbell
Sandy Cumming
Stephen Moore

OTHER COMMISSION MEMBERS PRESENT: Geraldine Wooley [Item 4]

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Director of Performance Audit and Best Value (PABV)
Tim Bridle, Manager, Audit Strategy [Item 7]
Carol Calder, Senior Manager, PABV [Item 8]
Antony Clark, Assistant Director, PABV [Items 5, 6]
Leigh Johnston, Senior Manager, PABV [Item 4]
Mark McCabe, Senior Manager, PABV [Item 7]
Mark McPherson, Senior Manager, PABV [Item 6]
Tricia Meldrum, Senior Manager, PABV [Item 6]
Ronnie Nicol, Assistant Director, PABV [Items 7 & 8]
Dharshi Santhakumaran, Audit Manager, PABV [Item 4]
Claire Sweeney, Associate Director, PABV [Item 4]
Sally Thompson, Audit Manager, PABV [Item 8]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 24 August 2017
4.	Performance audit: Scope: Children and young people's mental health
5.	Work programme update
6.	Policy briefing: Justice, education and lifelong learning
7.	Local government financial overview: emerging messages
8.	Local government overview: scope
9.	Any other business

1. Apologies for absence

It was noted that apologies had been received from Sophie Flemig and Ronnie Hinds.

2. Declarations of interest

The following declarations of interest were made:

- Sandy Cumming, in item 6, as Chair of Scotland's Rural College, in relation to references to further education sector policy issues.
- Christine May, in item 5, as former Chair of Fife Cultural Trust, in relation to references to arm's length external organisations.

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, in relation to item 4, sixth bullet point, the Committee agreed with the suggestion by Stephen Moore that the Director consider addiction issues as part of programme development activities in relation to health inequalities.

Action: Director of PABV

4. Performance audit: Scope: Children and young people's mental health

The Committee considered a report by the Director of PABV seeking approval of the approach to the performance audit on children and young people's mental health.

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, Sheila Gunn and Geraldine Wooley.

Action: Director of PABV

5. Work programme update

The Committee considered a report by the Director of PABV providing an update on performance audits, impact reports and *How councils work* reports where the Committee has an oversight and quality assurance role on behalf of the Commission.

During discussion, the Committee agreed:

- To note advice from Stephen Moore that he was not present at the meeting on 2 August of the advisory group for the performance audit on arm's length external organisations.
- In relation to a query from Stephen Moore, to note advice from the Director that the current agreed position of the Commission and Auditor General on Edinburgh trams was to monitor the public inquiry in this regard.
- In relation to a query from Sandy Cumming, to note advice from the Director that matters around local accountability would be considered in scoping for the forthcoming Auditor General performance audit on the Scottish Fire and Rescue Service.
- In relation to a query from Christine May, to note advice from the Director that congestion relief would be considered in scoping for the forthcoming Auditor General performance audit on the Forth Replacement Crossing.

Thereafter, the Committee noted the report.

6. Policy briefing: Justice, education and lifelong learning

The Committee considered a briefing on the update on the work of the policy cluster for justice, education and lifelong learning. The presentation was delivered by Antony Clark, Mark MacPherson and Tricia Meldrum.

During discussion, the Committee agreed:

- To note advice from the Director, in response to a query from Stephen Moore, that the Domestic Abuse Bill addresses violence to all domestic occupants.
- To note advice from the Director, in response to a query from Alan Campbell, that the Auditor General would be publishing a report under Section 22 of the Public Finance and Accountability (Scotland) Act 2000 on the Scottish Police Authority.
- To note advice from the Director, in response to a query from Christine May, that he would be monitoring the potential impact of Brexit on the further education sector as well as higher education.
- To note advice from the Director, in response to a query from Christine May, that he would report on forthcoming collaboration with Education Scotland in relation to inspection work in his update report on strategic scrutiny at the Commission meeting in November.

Actions: Director of PABV

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 clear links be made between the practical guidance for elected members in this report and that of the subsequent local government overview report.
- 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, the meeting was closed.

PERFORMANCE AUDIT COMMITTEE

MEETING: 22 FEBRUARY 2018

REPORT BY: SECRETARY TO THE COMMISSION

MINUTE OF PREVIOUS MEETING

Introduction

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

Updated information

2. At its meeting on 7 December 2017, the Commission approved the attached minute as a correct record, subject to noting that Geraldine Wooley was not in attendance at the meeting.

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 MEETING OF PERFORMANCE AUDIT COMMITTEE OF 23 NOVEMBER 2017

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of held in the offices of 102 West Port, Edinburgh, on Thursday 23 November 2017, at 1.00pm.

PRESENT: Ronnie Hinds (Chair)
Christine May
Alan Campbell
Sandy Cumming
Stephen Moore

OTHER COMMISSION MEMBERS PRESENT: Geraldine Wooley [Item 4]

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Director of Performance Audit and Best Value (PABV)
Elaine Boyd, Assistant Director, Appointments and Assurance [Item 8]
Carol Calder, Senior Manager, PABV [Item 5]
Antony Clark, Assistant Director, PABV [Item 4]
Gemma Diamond, Senior Manager, PABV [Item 6]
Russell Frith, Assistant Auditor General [Item 8]
Graeme Greenhill, Senior Manager, PABV [Item 6]
John Gilchrist, Manager, Appointments and Assurance [Item 8]
Ronnie Nicol, Assistant Director, PABV [Item 5]
Mark Roberts, Senior Manager, PABV [Item 7]
Owen Smith, Senior Manager, Appointments and Assurance [Item 8]
Sally Thompson, Audit Manager, PABV [Item 5]
Catherine Young, Audit Manager, PABV [Item 7]
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 September 2017
4.	Work programme update
5.	Local government overview: emerging messages
6.	Policy briefing: Public finances, investment, economy
7.	Community justice: options for a performance audit
8.	Audit quality: 2017/18 first report
9.	Any other business

1. Apologies for absence

It was noted that apologies had been received from Sophie Flemig and Graham Sharp.

2. Declarations of interest

The following declarations of interest were made:

- Alan Campbell, in item 6, since he has an association with a shale gas company, in relation to references to unconventional oil and gas.
- Sandy Cumming, in item 4, since a close family member is employed by the Scottish Government in relation to early learning and childcare policy, in relation to references to the ongoing performance audit in this regard.
- Christine May, in item 5, as former Chair of Fife Cultural Trust, in relation to references to arm's length external organisations.

3. Minutes of meeting of 28 September 2017

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

4. Work programme update

The Committee considered a report by the Director of PABV providing an update on performance audits, impact reports and *How councils work* reports on which the Committee has an oversight and quality assurance role on behalf of the Commission.

During discussion, the Committee agreed:

- That future reports include information on original and planned publication dates.
- In relation to a query from Sandy Cumming, to note advice from the Secretary that the agreed approach to sponsors of impact reports is that sponsors of original reports are assumed to fulfil this role.
- To note advice from Alan Campbell that he and Geraldine Wooley were, as sponsors, anticipating input into and approval of the promotional video and associated online information hub in relation to the early learning and childcare performance audit.

Action: Director of PABV

- To note advice from Christine May that the Equalities Sub-Group, at its meeting on 23 November, had noted the potential for targeting messages from performance audit reports at individual groups, a recommendation on which would be made by the Group when it reports to the Commission at its January 2018 meeting.

Thereafter, the Committee noted the report.

5. 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

6. Policy briefing: Public finances, investment, economy

The Committee considered a briefing on the update on the work of the policy cluster for public finances, investment and economy. The presentation was delivered by Gemma Diamond and Graeme Greenhill.

During discussion, the Committee agreed:

- That the following specific areas of interest be considered by the policy cluster for dedicated briefings or outputs in due course:
 - performance of the Scottish economy
 - demographics.
- That diversity and equalities issues be covered in all cluster policy briefings.
- To note advice from the Director, that in relation to demographics, that:
 - this would be considered in the proposed cluster review on enterprise and skills
 - this would also be considered as part of the digital audit strategy
 - he was considering how this be recognised as a cross-cutting issue affecting all policy clusters, alongside other such cross-cutting issues.
- That the issue of transparency of funding be considered in the scoping of the forthcoming performance audit on City Region Deals.
- That the audit team for the local government overview report consider the implications for the report of the What Works Scotland paper *Outcomes based approaches in public services reform*.

Actions: Director of PABV

7. Community justice: options for a performance audit

The Committee considered a report by the Director of PABV presenting options for undertaking the proposed performance audit on community justice.

Following discussion, the Committee agreed to recommend to the Commission that a two-stage approach be taken to the audit, with an initial report publishing in early autumn 2018 and a second stage publishing in 2021/22, subject to considering the audit in the context of the wider work programme.

Action: Director of PABV

8. Audit quality: 2017/18 first report

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 more detail on the outcome of Financial Reporting Council audit quality inspection of audit service providers.
- 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.

9. Any other business

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