

ACCOUNTS COMMISSION

MEETING 9 OCTOBER 2014

MINUTES OF PREVIOUS MEETING

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 25 September 2014, at 10.00am

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

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Antony Clark, Assistant Director, PABV [Items 9 & 13]
Miranda Alcock, Senior Manager, PABV [Items 9 & 13]
Peter Worsdale, Project Manager, PABV [Items 9 & 13]
Russell Frith, Assistant Auditor General [Items 11, & 16]
Anne Cairns, Manager – Benefits, Audit Strategy [Item 11]
Mark Taylor, Assistant Director, Audit Services [Item 12]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 19 June 2014
5.	Minutes of meeting of Financial Audit and Assurance Committee of 11 September 2014
6.	Minutes of meeting of Performance Audit Committee of 11 September 2014
7.	Update report by the Secretary to the Accounts Commission
8.	Update report by the Controller of Audit
9.	West Lothian Community Planning Partnership
10.	Edinburgh Trams
11.	The impact of welfare reforms on council rent arrears in Scotland
12.	Equalities update
13.	West Lothian Community Planning Partnership [<i>in private</i>]
14.	Feedback on joint workshop about performance audit programme [<i>in private</i>]
15.	<i>How Councils Work</i> series [<i>in private</i>]
16.	Audit Scotland Budget 2015/16 and audit charges 2014/15 audits [<i>in private</i>]
17.	Commission business matters [<i>in private</i>]

Opening remarks by the Chair

The Chair noted that this meeting would be the last in the terms of Mike Ash and, in his absence, Bill McQueen. He paid tribute to the outstanding support and commitment he and the Commission had received from Mike Ash as a Commission member, and from Bill McQueen as a Commission member, Chair of the Financial Audit and Assurance Committee and member of the Strategic Scrutiny Group. He wished them well for the future.

1. Apologies for absence

It was noted that apologies for absence had been received from Colin Peebles and Bill McQueen.

2. Declarations of interest

The following declarations of interest were made:

- Mike Ash, in items 9 and 13, as a member of the Board of NHS Lothian.
- Sandy Cumming, in items 9 and 13, as a member of the board of Scotland's Rural College.
- Linda Pollock, in items 9 and 13, as a former Executive Nursing Director for NHS Lothian, and in item 14, as a member of the board of the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 13 to 17 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 19 June 2014

The minutes of the meeting of 19 June 2014 were submitted and approved as a correct record.

Arising therefrom, advice from the Secretary to the Commission was noted that:

- In relation to item 7 (first bullet point: Commission's obligations to Gaelic), the Commission has not been identified by Bòrd na Gàidhlig as requiring to publish a Gaelic Language Plan, although the Commission has in the past published selected reports, such as Best Value reports for Highland and Comhairle nan Eilean Siar, in Gaelic.

Following discussion, it was agreed that, notwithstanding that the Commission having no legal requirements in this regard, the Secretary to the Commission report on the implications of the Commission undertaking more Gaelic related activities.

Action: Secretary

- In relation to item 8 (first bullet point: *Future Cities* and *What Works Scotland* initiatives), information in this regard had been made available on the members portal.
- In relation to item 11 (Benefits performance audit: annual report), the Chair had written to all council leaders, chairs of audit committees and chief executives enclosing the report and advising them of the main messages therein.

- In relation to item 12 (Statutory performance information 2012/13: an evaluation of public performance reporting), the Chair had written to all council leaders, chairs of audit committees and chief executives in relation to the evaluation exercise, which had generated substantial interest from councils.

Further in this regard, advice from the Director of Performance Audit and Best Value was noted that he would report at a future meeting on proposals for future evaluation of public performance reporting.

Action: Director of Performance Audit and Best Value

- In relation to item 18 (Accounts Commission annual action plan progress report and annual report), Commission members had further discussed a narrative at their recent business day event, and the Commission would further consider this matter at a forthcoming meeting.

5. Minutes of meeting of Financial Audit and Assurance Committee of 11 September 2014

The minutes of the meeting of the Financial Audit and Assurance Committee of 11 September 2014 were submitted and approved as a correct record.

6. Minutes of meeting of Performance Audit Committee of 11 September 2014

The minutes of the meeting of the Performance Audit Committee of 11 September 2014 were submitted and approved as a correct record.

7. Update report by the Secretary to the Accounts Commission

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

During discussion, in relation to paragraph 4 (report on Self-Directed Support) the Commission noted advice from the Director of Performance Audit and Best Value that the Care Inspectorate and Health Improvement Scotland had received copies of the report.

Thereafter the Commission agreed to note the report.

8. Update report by the Controller of Audit

The Controller of Audit provided a verbal update on his recent activity including meetings and discussions with stakeholders.

The Commission:

- Agreed that James Mitchell of *What Works Scotland* be considered as a possible future visiting speaker.
- Noted the report.

9. West Lothian Community Planning Partnership

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

Following consideration, the Commission agreed:

- That future such reports provide more detail on:
 - the composition of CPP boards.
 - the composition and resources involved in CPP support teams.
- That future such reports provide more information like that in Exhibit 13 of the report (i.e. health inequality gaps).

Actions: Controller of Audit

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

10. Edinburgh Trams

The Commission considered a report by the Director of Performance Audit and Best Value advising of the latest position regarding the proposed public inquiry into the Edinburgh trams project and inviting the Commission to consider how it might best support the inquiry.

Following consideration, the Commission agreed:

- To note advice from the Director of ongoing financial audit work associated with the trams project.
- Agreed that a summary of the possible scope of appropriate audit work in relation to the trams project be produced and submitted to the public inquiry as appropriate.
- To note that, notwithstanding this, the public inquiry may issue a formal call for evidence and accordingly to await further advice in this regard.
- To note the report.

*Actions: Secretary and
Director of Performance Audit and Best Value*

Thereafter the Commission agreed to note the report.

11. The impact of welfare reforms on council rent arrears in Scotland

The Commission considered a report by the Assistant Auditor General advising of the outcome of his review of the impact of welfare reforms on council rent arrears in Scotland.

Following consideration, the Commission:

- Agreed that the report be revised in the following terms:
 - Information on councils' performance in their family groups established in the local government benchmarking project.
 - More information on issues associated with those councils operating 'no eviction' policies.
 - More clarity on phraseology such as "rent debit".
 - Reference to councils' fiduciary duty.

- Reference to roles and responsibilities in councils, for example the monitoring officer.

Actions: Assistant Auditor General

- Agreed that the Chair write to all council leaders, chairs of audit committees and chief executives, commending the report (as revised) and setting out the main messages therefrom.

Action: Secretary and Assistant Auditor General

Thereafter the Commission agreed to note report.

12. Equalities update

The Commission considered a report by Mark Taylor, Chair of Audit Scotland's Diversity and Equality Steering Group, providing a summary of the progress being made with its equalities outcomes.

During discussion the Commission:

- Noted the equalities issues associated with public board recruitment methods in Scotland and England.
- Noted issues around the changing gender balance in the accountancy profession.
- Agreed that the Commission consider when appropriate its obligations in relation to the diversity of its membership.
- Agreed that the Secretary to the Commission's report on the implications on the Commission undertaking more Gaelic related activities, as set out in item 4 above, include reference to other languages as appropriate.
 - *Action: Secretary*
- Agreed that Mark Taylor report back on his forthcoming meeting with the Equalities and Human Rights Commission (EHRC) on the inability of EHRC to provide data on the performance of individual councils in relation to their response to the Equality Act.
 - *Action: Chair, Audit Scotland Diversity and Equality Steering Group*
- Agreed that the Secretary report on issues around the accessibility of Commission meetings, including the practice of meeting in public.
 - *Action: Secretary*
- Agreed that the action against item 1.2 of the equality outcomes action plan, in relation to analysing data to help understand public use of local government services, be revised to better reflect the analytical work done in various Commission performance audit reports.
 - *Action: Chair, Audit Scotland Diversity and Equality Steering Group*

Thereafter the Commission agreed to note report.

13. West Lothian Community Planning Partnership [in private]

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

The Commission discussed how to proceed in relation to the report by the Controller of Audit and Auditor General for Scotland on the audit of West Lothian Community Planning Partnership.

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

Action: Secretary

The Chair noted that Miranda Alcock would shortly be leaving Audit Scotland. He thanked her for her input to and support of the Commission and wished her well for the future.

14. Feedback on joint workshop about performance audit programme [in private]

The Commission agreed that this item be held in private to allow discussion of possible subjects for inclusion in the performance audit programme.

The Commission considered a report by the Director of Performance Audit and Best Value giving feedback on the recent workshop to explore potential areas for the performance audit programme with regard to policy issues, risks and opportunities across the Scottish public sector.

Following consideration, the Commission agreed to:

- Note the feedback from the workshop.
- Note the issues arising from the Strategic Scrutiny Group's recent consideration of key public sector risks and policy developments.
- Note that further discussions with scrutiny partners on the performance audit programme and *How Councils Work* series would take place once the Commission developed its draft work programme.
- Note that proposals for the 2015/16 programme will be brought to the meeting in November for the Commission's consideration.

Action: Director of Performance Audit and Best Value

15. How Councils Work series [in private]

The Commission agreed that this item be held in private to allow it to discuss the next steps for the *How Councils Work* series.

The Commission considered a report by the Secretary to the Commission seeking its views on future subjects for the *How Councils Work* (HCW) series of reports

Following consideration, the Commission:

- Agreed to the principle of publishing two HCW reports per year.
- Agreed to endorse the view of the Performance Audit Committee that the forthcoming report on Borrowing and Treasury Management include practical information such as checklists which would be branded as part of the HCW series.

- Agreed to progress with a report updating the first HCW report on roles and working relationships, particularly around training and development and performance appraisal for elected members.

Action: Director of Performance Audit and Best Value

16. Audit Scotland budget 2015/16 and audit charges 2014/15 audits [in private]

The Commission agreed that this item be held in private to allow it to discuss confidential information in relation to Audit Scotland's budget.

The Commission considered a report by the Assistant Auditor General briefing the Commission on Audit Scotland's budget for the financial year 2015/16 and seeking the Commission's agreement to the proposed audit charges for the 2014/15 audits.

Following consideration, the Commission:

- Endorsed Audit Scotland's budget proposal for 2015/16.
- Agreed the charging proposals for 2014/15 audits and noted the provisional proposals for the following audit year.
- Agreed that in future, scheduling ensure appropriate Commission consideration of such matters.

Action: Secretary and Assistant Auditor General

17. Commission business matters [in private]

The Commission agreed that this item be held in private to allow discussion of issues of a confidential nature.

The Chair briefed the Commission on matters of interest.