

MEETING: 7 DECEMBER 2017

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.