

**ACCOUNTS COMMISSION**

**MEETING 12 SEPTEMBER 2013**

**MINUTES OF PREVIOUS MEETING**

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Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 22 August 2013, at 10am

PRESENT: John Baillie (Chair)  
Alan Campbell  
Sandy Cumming  
Colin Duncan  
Jim King  
Christine May  
Bill McQueen  
Linda Pollock  
Graham Sharp  
Douglas Sinclair (Deputy Chair)

IN ATTENDANCE: Fraser McKinlay, Controller of Audit  
Russell Frith, Assistant Auditor General [Items 7 and 8]  
Paul Reilly, Secretary and Business Manager  
Anne Cairns, Manager - Benefits (Technical) [Item 7]  
Antony Clark, Assistant Director, PABV [Item 10]  
Angela Cullen, Assistant Director, PABV [Item 11]  
Andra Laird, Project Manager, PABV [Item 11]  
Dick Gill, Portfolio Manager, PABV, [Item 12]  
Claire Richards, Senior Performance Auditor, PABV [Item 12]  
Ronnie Nicol, Assistant Director, PABV [Item 13]  
Claire Sweeney, Portfolio Manager, PABV [Item 14]

<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 20 June 2013
5.	Chair's introduction
6.	Update report by the Controller of Audit
7.	Housing and council tax benefits administration audit activity: annual report
8.	Replacement of 1985 Local Authority Accounts Regulations
9.	Any other business
10.	Independent evaluation of the first three audits of community planning partnerships – draft response by Accounts Commission and Auditor General for Scotland
11.	Performance audit – update: Reshaping Scotland's public sector workforce
12.	Performance audit – project brief: Procurement in local government

13. Scottish Government consultation: Amending the Schools (Consultation) (Scotland) Act 2010 – draft response by Accounts Commission
14. Local Government and Regeneration Committee: call for evidence: Public Bodies (Joint Working) (Scotland) Bill – draft response by Accounts Commission and Auditor General for Scotland

1. Apologies for absence

It was noted that apologies for absence had been received from Michael Ash and Colin Peebles.

2. Declarations of interest

There were no declarations of interest made.

3. Decisions on taking business in private

It was agreed that items 11 to 15 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 20 June 2013

The minutes of the meeting of 20 June 2013 were submitted and approved, subject to:

- In paragraph 10, noting the eighth bullet point as action for the Controller of Audit.
- In paragraph 12 (third bullet point), delete “to this end”.

In relation to paragraph 9 (ninth and eleventh bullet points), the Commission agreed that the Controller of Audit report formally to its next meeting on the targeted Best Value audit activity in Aberdeenshire and the Moray councils.

5. Chair's introduction

The Chair reported that:

- On 1 August, he chaired a meeting of Accounts Commission's strategic scrutiny partners.
- On 12 September, he met Stephen Gallagher, the new Head of the Local Government Division in the Scottish Government.
- In August he responded in his role as Chair to a consultation by the Public Appointments Commissioner in Scotland on enhancing the public appointments process, and he had shared his response with Commission members.

6. Update report by the Controller of Audit

The Commission considered a report by the Controller of Audit providing an update on significant recent activity in relation to the audit of local government.

During discussion the Commission:

- Noted advice from the Controller of Audit that Steve Barron has been appointed as the new Chief Executive of Highland Council.
- In relation to paragraph 15 of the report, agreed that the Controller of Audit report back on the desirability of guidance in relation to senior council officers assuming roles with bodies outwith the council.
- In relation to the first bullet point in paragraph 7, agreed that the Controller of Audit provide further information on the proportions of older people being cared for at home rather than in hospital or care homes.

*Actions: Controller of Audit*

Thereafter the Commission agreed to note the report.

#### 7. Housing and council tax benefits administration audit activity: annual report

The Commission considered a report by the Assistant Auditor General advising of the outcome of Audit Scotland's benefits performance audit work during 2012/13.

During discussion the Commission agreed:

- To note advice from the Assistant Auditor General on:
  - Reasons behind overpayment of benefits.
  - Comparative levels of error and fraud.
  - Comparisons with England and Wales.
  - The role of the National Fraud Initiative in relation to the issues featured in the report.
- That, in paragraph 15, reference be made to reduction of risk.
- To endorse the report.
- That the Chair write to council chief executives and chairs of council audit and finance committees commending the report.

*Actions: Assistant Auditor General*

#### 8. Replacement of 1985 Local Authority Accounts Regulations

The Commission considered a report by the Assistant Auditor General briefing the Commission on the Scottish Government's consultation on draft Regulations to replace the Local Authorities (Scotland) Regulations 1985.

During discussion, the Commission:

- Endorsed the general theme of a proposed response to the consultation that elected members should be more involved in accounts and financial control and policy matters.
- Agreed that the Assistant Auditor General report on issues associated with:
  - The desirability of requiring the proper officer for finance to be appropriately qualified.

- The desirability of prescribing the position of the statutory finance officer in a local authority's management structure.
- The desirability of prescribing the establishment of a council audit committee.
- Noted that the Chair would discuss with the Assistant Auditor General the requirements in the draft regulations in relation to reporting a true and fair view of the financial position of an authority.
- Agreed to delegate to the Chair and Deputy Chair to agree with the Assistant Auditor General the terms of a draft response.

*Actions: Assistant Auditor General*

9. Any other business

The Commission discussed progress with its secure web portal. The Commission agreed that the Secretary and Business Manager liaise with Commission members to establish issues associated with members' use of the portal.

*Action: Secretary and Business Manager*

10. Independent evaluation of the first three audits of community planning partnership – Draft response by Accounts Commission and Auditor General for Scotland [in private]

The Commission agreed that this item be held in private to allow it to consider a draft paper.

The Commission considered a report by the Controller of Audit proposing a draft response to the independent evaluation of the three early community planning partnership audits.

During discussion, the Commission:

- Agreed various changes to the draft response.
- Agreed that the Controller of Audit provide a summary of current single outcome agreements.

*Action: Controller of Audit*

Thereafter the Commission agreed to approve the terms of the draft response subject to the points discussed being addressed.

11. Performance audit – update: Reshaping Scotland's public sector workforce [in private]

The Commission agreed that this item be held in private to allow it to consider matters associated with an ongoing performance audit.

The Commission considered a report by the Controller of Audit providing an update on progress with the performance audit *Reshaping Scotland's public sector workforce*.

During discussion, the Commission:

- Agreed various issues for the audit team to consider for inclusion in the performance audit.
- Noted issues associated with:
  - rising staff costs
  - the reliability of data.
- Noted a revised publication date for the report.

Thereafter the Commission agreed to note the report.

12. Performance audit – project brief: Procurement in local government [in private]

The Commission agreed that this item be held in private to allow it to discuss a draft project brief.

The Commission considered a report by the Controller of Audit proposing a project brief and associated issues and investigations matrix.

The Commission agreed the project brief and associated issues and investigations matrix subject to consideration being given to a number of points raised in discussion.

The Chair advised the Commission that Dick Gill had intimated that he would soon be retiring from Audit Scotland. The Chair on behalf of the Commission thanked Dick for his work, input and support to the Commission in his time with Audit Scotland.

13. Scottish Government consultation: Amending the Schools (Consultation) (Scotland) Act 2010 – Draft response by Accounts Commission [in private]

The Commission agreed that this item be held in private to allow it to consider a draft response to a consultation.

The Commission considered a report by the Controller of Audit proposing a draft response to the Scottish Government's consultation on proposals to amend the Amending the Schools (Consultation) (Scotland) Act 2010.

During discussion, the Commission agreed:

- To make a response on specific points in relation to questions and issues of direct relevance to local government and which do not cover policy matters.
- To delegate to the Chair and Deputy Chair to approve the terms of the final draft of the response.

*Action: Controller of Audit*

14. Local Government and Regeneration Committee: call for evidence on the Public Bodies (Joint Working) (Scotland) Bill and the Children and Young People (Scotland) Bill – draft response by Accounts Commission and Auditor General for Scotland: [in private]

The Commission agreed that this item be held in private to allow it to consider a draft response to a consultation.

The Commission considered a report by the Controller of Audit proposing a draft response, made jointly with the Auditor General for Scotland, to a request for written views by the Local Government and Regeneration Committee on the implications of the *Public Bodies (Joint Working) (Scotland) Bill* and the *Children and Young People (Scotland) Bill*.

During discussion, the Commission agreed a number of points for inclusion in the draft response.

Thereafter the Commission agreed:

- the terms of the draft response subject to the points discussed being addressed
- to delegate to the Deputy Chair to approve the terms of the final draft of the response.