

ACCOUNTS COMMISSION

MEETING 13 MARCH 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, 13 February 2014, at 11.00am

PRESENT: Douglas Sinclair (Chair)
Michael Ash
Alan Campbell
Sandy Cumming
Colin Duncan [Items 1 to 8]
Christine May
Bill McQueen
Linda Pollock
Colin Peebles
Graham Sharp
Pauline Weetman

IN ATTENDANCE: Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Gordon Smail, Acting Secretary and Business Manager
David McConnell, Assistant Director, Audit Services [Item 7]
Stephen O'Hagan, Senior Audit Manager, Audit Services [Item 7]
Ronnie Nicol, Assistant Director, PABV [Items 8 & 9]
Fiona Mitchell-Knight, Assistant Director, Audit Services [Items 8 & 9]
Gordon Neill, Portfolio Manager, PABV [Items 8 & 9]
Dave Richardson, Senior Audit Manager, Audit Services [Items 8 & 9]
Tom Reid, Project Manager, PABV [Items 8 & 9]
Martin Walker, Assistant Director, PABV [Items 10 & 11]
Fiona Selkirk, Project Manager, PABV [Item 11]
Lynn Russell, Performance Auditor, PABV [Item 11]
Lynn Bradley, Director of Corporate Programmes and Performance [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 16 January 2014
5.	Update report by the Secretary & Business Manager
6.	Update report by the Controller of Audit
7.	External employment of local authority officers
8.	Targeted Best Value audit work: South Ayrshire Council (report)
9.	Targeted Best Value audit work: South Ayrshire Council (actions)
10.	An overview of local government in Scotland 2014 – draft report
11.	How councils work: options appraisal – draft report
12.	Audit Scotland Corporate Plan 2012-2015: Priorities for 2014
13.	Commission business matters

1. Apologies for absence

There were no apologies.

2. Declarations of interest

The following declarations of interest were made:

- Christine May: item 5 (as an advisor to opencast mining companies) and items 10 and 11 (as Vice-Chair of Fife Cultural Trust)
- Colin Duncan: items 8 and 9 (as a resident of South Ayrshire and as a member of political organisations in that area).

3. Decisions on taking business in private

It was agreed that items 9 to 13 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 16 January 2014

The minutes of the meeting of 16 January 2014 were submitted and approved.

5. Update report by the Secretary and Business Manager

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

During discussion the Commission:

- Noted that the Commission is required to develop an individual Code of Conduct based on the model code published by the Scottish Government and that the Secretary and Business Manager would report further on this.

Action: Secretary and Business Manager

- Noted that it would receive a briefing on health and social care integration at its next meeting, including further information on the proposal that the accounts of integration joint boards would be audited by the Commission.

Action: Director of Performance Audit and Best Value

- Noted that the Scottish Parliament's Local Government and Regeneration Committee has announced an enquiry into the future of local government.
- Requested that further background information about obligations in respect of cleaning-up opencast coal mines is provided to the Commission's Financial Audit and Assurance Committee.

Action: Director of Performance Audit and Best Value

- Requested a summary of the main points in the Williams Commission report on local government in Wales.

Action: Secretary and Business Manager

Thereafter the Commission agreed to note the report.

6. 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.

7. External employment of local authority officers

The Commission considered a report by the Director of Performance Audit and Best Value on existing arrangements and guidance in place in public bodies for senior officers assuming secondary roles.

During discussion, the Commission considered a range of related matters and concluded that a proper assessment of the benefits and impact was required in such circumstances. The Commission also underlined the need for a consistent approach and that it would be helpful to highlight good practice.

Thereafter the Commission agreed that the Chair in conjunction with the Auditor General would consider the matter further, including the options for issuing guidance to public bodies on the principles involved and good practice.

Action: Director of Performance Audit and Best Value

8. Targeted Best Value audit work: South Ayrshire Council

The Commission considered a report from the Secretary and Business Manager introducing the Controller of Audit's report on targeted Best Value audit work at South Ayrshire Council.

Following consideration, the Commission agreed to note the report and to consider in private how to proceed.

9. Targeted Best Value audit work: South Ayrshire Council [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.

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

10. An overview of local government in Scotland 2014 – draft report [in private]

The Commission agreed that this item be held in private to allow it to consider and approve a draft report and proposed publication arrangements as presented in the report by the Director of Performance Audit and Best Value.

The Commission considered a report by the Director of Performance Audit and Best Value introducing the Commission's draft annual overview report *An overview of local government in Scotland 2014* and next steps.

Following discussion, the Commission agreed to approve the draft report subject to the audit team considering points raised in discussion and consulting further with the sponsors of the report, Alan Campbell and Christine May, and the Chair.

Action: Director of Performance Audit and Best Value

11. How councils work: options appraisal [in private]

The Commission agreed that this item be held in private to allow it to consider and approve a draft report and proposed publication arrangements as presented in the report by the Director of Performance Audit and Best Value.

The Commission considered a report by the Director of Performance Audit and Best Value proposing a draft report in the *How Councils Work* series, *Options appraisal: are you getting it right?*

On a more general point, the Commission requested that the positioning of reports in the *How councils work series* on the website is reviewed to improve their accessibility.

Action: Secretary and Business Manager

Following discussion, the Commission approved the draft report and the associated publication arrangements, subject to the audit team considering points raised in discussion and consulting further with the sponsors of the report: the Chair; Bill McQueen; and Mike Ash.

Action: Director of Performance Audit and Best Value

12. Audit Scotland Corporate Plan 2012-15: Priorities for 2014 [in private]

The Commission agreed that this item be held in private to allow it to consider a report by the Director of Corporate Programmes and Performance seeking approval for its interest Audit Scotland's corporate priorities for 2014.

During discussion the Commission highlighted points for consideration, including the need to expand on some of the lesser known acronyms in the document.

Action: Director of Corporate Programmes and Performance

Thereafter the Commission agreed to approve for its interest Audit Scotland's priorities for 2014.

13. Commission business matters [in private]

The Commission agreed that the Chair's update on Commission business matters be held in private to allow it to discuss issues of a confidential nature relating to the operations of the Commission.

The Chair briefed the Commission on matters of interest.