

ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 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, 19 June 2014, at 10.00am

PRESENT: Douglas Sinclair (Chair)
Alan Campbell
Sandy Cumming
Colin Duncan
Christine May
Bill McQueen
Linda Pollock
Colin Peebles

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit
and Best Value (PABV)
Anne Cairns, Manager, Audit Strategy [Item 11]
Antony Clark, Assistant Director, PABV [Items 9 and 16]
Russell Frith, Assistant Auditor General [Items 11, 14 & 15]
Agata Maslowska, Performance Auditor, PABV [Item 12]
Fiona Mitchell-Knight, Assistant Director, ASG [Items 10 & 17]
Gordon Neill, Senior Manager, PABV [Items 9 and 16]
Kathrine Sibbald, Senior Manager, PABV [Items 10, 12 & 17]
Joanna Stevenson, Audit Manager, Audit Strategy [Item 14]
Shelagh Stewart, Project Manager, PABV [Items 9, 12 & 16]

1. Apologies for absence

It was noted that apologies for absence had been received from Mike Ash, Graham Sharp and Pauline Weetman.

2. Declarations of interest

The following declarations of interest were made:

- Sandy Cumming, in items 9 and 16, as a trustee of the Robertson Trust, which has business interests in Moray.
- Colin Peebles, in item 11, as a registered private landlord.
- Linda Pollock, in item 7, as a member of the board of the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 16 to 20 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 15 May 2014

The minutes of the meeting of 15 May 2014 were approved as a correct record.

5. Minutes of meeting of Financial Audit and Assurance Committee of 29 May 2014

The minutes of the meeting of the Financial Audit and Assurance Committee of 29 May 2014 were approved as a correct record.

6. Minutes of meeting of Performance Audit Committee of 29 May 2014

The minutes of the meeting of the Performance Audit Committee of 29 May 2014 were 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 in relation to local government and issues of relevance or interest across the wider public sector.

During discussion the Commission:

- In relation to paragraph 6 (audit of Best Value and Community Planning: Comhairle nan Eilean Siar), agreed that the Secretary investigate the Commission's obligations in relation to Gaelic.

Action: Secretary

- In relation to paragraph 30 (Public Audit Committee), noted advice from the Secretary that the Public Audit Committee had published its sixth report of 2014, *Reshaping care for older people*, on 17 June 2014.
- In relation to paragraph 54 (Edinburgh trams project), noted advice from the Controller of Audit that he would bring a report to the Commission on options on reporting and scrutiny of the project.

Action: Controller of Audit

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 it be provided with further information on the *Future Cities and What Works Scotland* initiatives.
- Noted the Controller of Audit's report.

Action: Secretary

9. Community Planning in Moray

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 community planning in Moray and seeking direction on how to proceed.

Following consideration, the Commission agreed:

- That the following issues arising from the report be considered for discussion in the national report at the conclusion of the current phase of five community planning audits:
 - Composition of community planning partnership boards
 - Support for community planning partnership boards.
- To note the report.
- To consider in private how to proceed.

Actions: Controller of Audit

10. Argyll and Bute Council

The Commission considered a report from the Secretary introducing the Controller of Audit's report on the progress made by Argyll and Bute Council against improvements previously required by the Commission.

Following consideration, the Commission agreed:

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

11. Benefits performance audit – 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 2013/14 and providing an update on welfare reform.

Following discussion, the Commission:

- Approved the report of Audit Scotland's benefits performance audit work during 2013/14.
- Noted the update on welfare reform.
- Agreed that the Chair send the report to all council leaders, chairs of audit committees and chief executives.

Action: Secretary and Assistant Auditor General

12. Statutory performance information 2012/13: an evaluation of public performance reporting

The Commission considered a report by the Director of Performance Audit and Best Value providing information for the Commission to consider how well councils were implementing the requirements of its statutory performance information (SPI) Direction through public performance reporting (PPR).

Following discussion the Commission:

- Noted the progress made by councils in fulfilling their obligations for public performance reporting as required by the SPI Direction.
- Noted areas where there remains room for improvement.
- Agreed that the Chair write to the leader, chair of audit committee and chief executive of each council, setting out:
 - The council's progress against each of the statutory performance indicators in relation to publishing performance information
 - An expectation that all councils will fully meet the evaluation criteria applied to the statutory performance indicators.
 - The evaluation of all councils, as set out in the Director's report.

Action: Secretary and Director of Performance Audit and Best Value

- Agreed to revisit findings later in the year to assist Commission to determine its SPI Direction 2014 for the audit year 2015/16 and develop supporting guidance.
- As part of this, agreed to review the requirement in statutory guidance which sets out the timeframe within which councils should produce PPR information.

Actions: Director of Performance Audit and Best Value

13. How councils work series

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

The Commission agreed to consider this matter more fully as part of a workshop event in the Autumn on the performance audit programme and related activities:

14. Annual Audit Scotland transparency and quality report

The Commission considered a report by the Assistant Auditor General outlining assurance on the quality of audit services delivered on the Commission's behalf by Audit Scotland and the professional firms.

During discussion the Commission:

- Recommended that future such reports make more prominent the role of the Commission and the Auditor General in quality assurance.
- Agreed, in relation to paragraph 64, that further consideration should be given to the findings of the reviews of partner agencies in relation to the extent to which recommendations are likely to lead to service improvements.

- Further to this, that such consideration be part of further discussion around the 'Expectations of Audit' project.

Action: Secretary and Assistant Auditor General

- Noted, in relation to paragraph 70, that Commission meetings with audited bodies following the publication of statutory reports are not primarily for the purpose of quality feedback, but rather to discuss with councils the Commission's findings.

Thereafter the Commission noted the report and assurance contained therein.

15. Appointment of auditors to integration joint boards

The Commission considered a report by the Assistant Auditor General seeking its agreement on the provisional appointments of external auditors on the integration joint boards (IJB) that are being created under the Public Bodies (Joint Working) (Scotland) Act 2014

Following discussion the Commission:

- Approved the provisional appointment of the auditor of each relevant council as the auditor of the IJB for that council area. Where two councils form a single IJB, that provisional appointment will be to the auditor of the administering council or, if neither council is undertaking the administration, then the largest council.
- Noted advice from the Assistant Auditor General that he would report to the Commission in the Autumn on accounting ethical standards and related matters of relevance to the Commission in its audit of IJBs.

16. Community Planning in Moray [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 community planning in Moray.

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

Action: Secretary

17. Argyll and Bute 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.

The Commission considered how to proceed in relation to the Controller of Audit's report on the progress made by Argyll and Bute Council against improvements previously required by the Commission.

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

Action: Secretary

18. Accounts Commission annual action plan progress report and annual report
[in private]

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

The Commission considered a report by the Secretary to the Commission providing an update on progress against its annual action plan and proposing an annual report for the year to 31 March 2014, and proposing arrangements for revising its strategy.

The Chair welcomed Shirley James and Bruce Stoddart, of Audit Scotland's communications team, to the meeting who gave a brief presentation on the online version of the annual report.

Following discussion, the Commission:

- Approved for publication the annual action plan progress report and annual report for 2013/14, subject to revision points raised in discussion
- Agreed the arrangements for revising its strategy, involving further discussion and formal approval later in the year.

Actions: Secretary

19. Progress with health and social care integration [in private]

The Commission agreed that this item be held in private to allow it to discuss issues of a confidential nature in relation to the integration of health and social care arrangements.

The Commission considered a report by the Secretary to the Commission proposing a discussion session with guests on progress with health and social care integration, with a focus on experience in Highland.

The Chair welcomed the following guests who took part in the discussion:

- Caroline Gardner, Auditor General for Scotland
- Steve Barron, Chief Executive, Highland Council
- Elaine Mead, Chief Executive, NHS Highland
- Alison Taylor, Team Leader, Integration, Scottish Government
- Paul Leak, Leader Officer for Integrated Budgets, Scottish Government.

Following discussion, the Commission agreed:

- To note progress to date.
- Agreed that the matter be subject to further discussion at future meetings.

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

Thereafter, the Chair thanked the guests for attending the meeting.

20. Commission business matters [in private]

The Commission agreed that this item 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.