

ACCOUNTS COMMISSION

MEETING 12 MARCH 2015

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, 12 February 2015, at 10.15am

PRESENT: Douglas Sinclair (Chair)
Ronnie Hinds (Deputy Chair)
Alan Campbell
Sandy Cumming
Colin Duncan
Tim McKay
Christine May
Stephen Moore
Colin Peebles
Graham Sharp
Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit
and Best Value (PABV)
Russell Frith, Assistant Auditor General [Items 8 & 13]
Cathy MacGregor, Project Manager, PABV [Item 10]
Gordon Smail, Senior Manager, PABV [Item 10]
Angela Cullen, Assistant Director, PABV [Items 11 & 12]
Gillian Battison, Audit Manager, PABV [Item 11]
Gemma Diamond, Senior Manager, PABV [Item 11]
Graeme Greenhill, Senior Manager, PABV [Item 12]
Andra Laird, Project Manager, PABV [Item 12]
Diane McGiffen, Chief Operating Officer [Item 14]

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Decisions on taking business in private
4. Minutes of meeting of 15 January 2015
5. Update report by the Secretary to the Commission
6. Update report by the Controller of Audit
7. Local government benchmarking framework: National benchmarking overview report
8. Smith Commission update
9. Commission committee business
10. Draft report – Local government overview [in private]
11. Performance audit: draft report – Borrowing and treasury management [in private]
12. For information: performance audit: draft report – Superfast broadband for Scotland – a progress report
13. Audit fees and funding arrangements [in private]
14. Audit Scotland matters:
 - (a) Edinburgh office relocation
 - (b) Best Companies survey
15. Commission extranet site [in private]
16. Commission business matters [in private]

1. Apologies for absence

It was noted that apologies for absence had been received from Linda Pollock.

2. Declarations of interest

The following declarations of interest were made:

- Sandy Cumming, in item 12, as a former Chief Executive of Highlands and Islands Enterprise.
- Ronnie Hinds, in item 5, as the Chair of the Local Government Boundary Commission for Scotland; in item 7, as the former chair of the Local Government Benchmarking Framework board; and in item 11, as a former Chief Executive of Fife Council.
- Christine May, in items 7 and 10, as Vice-Chair of Fife Cultural Trust.

3. Decisions on taking business in private

It was agreed that items 10 to 16 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 15 January 2015

The minutes of the meeting of 15 January 2015 were submitted and approved as a correct record.

5. 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 the Commission:

- noted advice from the Secretary:
 - That there were three upcoming meetings with audited bodies following publication of statutory reports, namely Orkney community planning partnership (23 February), South Ayrshire Council (3 March) and West Lothian community planning partnership (10 March).
 - In relation to paragraph 20 (Community Empowerment (Scotland) Bill), that amendments in stage 2 of the consideration of the bill were now being tabled, upon which he would keep the Commission updated.
 - In relation to paragraph 60 (Standards Commission), that the hearing into seven Aberdeen City Council councillors had begun in Aberdeen on 11 February.
 - In relation to paragraph 65 (National Audit Office report *Conflicts of interest*), agreed that members be provided with an email copy of the report.

Action: Secretary to the Commission

- In relation to paragraph 67 (National Audit Office – draft Code of Audit Practice), agreed that further information on the Code be provided.

*Action: Assistant Auditor General and
Director of Performance Audit and Best Value*

- In relation to paragraph 32 (Scottish Parliament Finance Committee – The Community Charge Debt (Scotland) Bill at Stage 1), agreed that further reports on progress of the bill be made to the Commission as appropriate.

Action: Secretary to the Commission

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. Local government benchmarking framework: National benchmarking overview report

The Commission considered a report by the Secretary to the Commission advising of the publication of the Local Government Benchmarking Framework: Overview Report 2013/14

During consideration, the Commission agreed:

- To express to the project board the Commission's support for those areas of further development as set out in page 56 of the report, particularly in relation to the development of indicators in customer satisfaction and social services.
- To seek clarity from the board on timescales in this regard.
- To meet with the project board to this end.

Action: Secretary to the Commission

- To engage with COSLA and SOLACE to establish how they take forward actions arising from the indicators.
- That the Director of Performance Audit and Best Value, in his role as an observer on the project board of the framework, articulate the above points.

Action: Director of Performance Audit and Best Value

- To note the report.
- To note that Audit Scotland would consider further the implications of the report on its audit work.

8. Smith Commission update

The Commission considered a report by the Assistant Auditor General providing an update on the potential implications of the Smith Commission proposals on audit work.

The Commission agreed:

- To note the report.
- To note advice from the Assistant Auditor General that he would keep the Commission apprised of further developments, including resource implications for Audit Scotland.

9. Commission committee business

The Commission considered a report by the Secretary to the Commission outlining the remits for the Commission's two committees and illustrating the committee chairs' views on taking forward the responsibilities of the committees.

During consideration, the Commission agreed:

- To endorse the views of the two committee chairs on the roles of the committees.
- That any member with further comments could raise these directly with the appropriate committee chair.

Thereafter the Commission agreed to note the report.

10. Draft report – Local government overview [in private]

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

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 2015* and next steps.

Following discussion, the Commission agreed:

- To articulate to the Scottish Government the Commission's view that better featuring ALEOs in public sector employment statistics would be a desirable step.

Action: Secretary to the Commission

- To approve the draft report subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Sandy Cumming and Colin Duncan, and the Chair and Deputy Chair.
- To approve the publication and promotion arrangements for the report.

Actions: Director of Performance Audit and Best Value

11. Performance audit: draft report – Borrowing and treasury management [in private]

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

The Commission considered a report by the Director of Performance Audit and Best Value seeking approval of and suggesting ways of promoting the draft performance audit report *Borrowing and treasury management*.

Following discussion, the Commission agreed:

- To approve the draft report subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Graham Sharp and Pauline Weetman.
- To approve the publication and promotion arrangements for the report.
- That future work on council debt be undertaken, the timing of which be considered in the context of the future performance audit programme.

Actions: Director of Performance Audit and Best Value

12. For information: performance audit: draft report – Superfast broadband for Scotland – a progress report [in private]

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

The Commission considered a draft report by the Director of Performance Audit and Best Value providing the Commission for its information the Auditor General's performance audit report *Superfast broadband for Scotland: a progress report*.

Following discussion, the Commission agreed to note the report.

13. Audit fees and funding arrangements [in private]

The Commission agreed that this item be held in private in order that it could consider issues around fees and funding.

The Commission considered a presentation by the Assistant Auditor General on audit fees and funding arrangements.

Following discussion, the Commission agreed its view to inform further work in this regard by the Assistant Auditor General.

14. Audit Scotland matters [in private]

The Commission agreed that this item be held in private in order to discuss confidential issues around Audit Scotland business.

(a) Edinburgh office relocation

The Commission considered a presentation by the Chief Operating Officer of Audit Scotland covering plans to relocate the two Edinburgh offices into one at a new site.

The Commission noted the position for its interest,

(b) Best Companies survey

The Commission agreed to defer to its next meeting a discussion on the results of Audit Scotland's Best Companies survey.

15. Commission extranet site [in private]

The Commission agreed that this item be held in private in order to allow discussion on business management.

The Commission agreed to defer to its next meeting a presentation by the Information Services Manager, Audit Scotland, on the Commission members' extranet site.

14. 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.