

ACCOUNTS COMMISSION

MEETING 11 JUNE 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, 15 May 2015, at 10.15am

PRESENT: Douglas Sinclair (Chair)
Ronnie Hinds (Deputy Chair)
Alan Campbell
Sandy Cumming
Colin Duncan
Tim McKay
Christine May
Stephen Moore
Linda Pollock
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)
Elaine Boyd, Senior Audit Manager, Audit Services [Item 12]
Russell Frith, Assistant Auditor General [Item 11]
David Henning, Information Services Manager [Item 15]
Mark McCabe, Senior Manager, PABV [Item 12]
Dave McConnell, Assistant Director, Audit Services [Item 12]
Craig McKinlay, Data Manager, PABV [Item 15]
Gill Miller, Audit Manager, PABV [Item 9]
Ronnie Nicol, Assistant Director, PABV [Item 12]
Mark Roberts, Senior Manager, PABV [Item 14]
Philippa Salvesen, Corporate Projects Officer, Corporate Services – Information Services [Item 15]

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Decisions on taking business in private
4. Minutes of meeting of 16 April 2015
5. Minutes of meeting of Financial Audit and Assurance Committee of 30 April 2015
6. Minutes of meeting of Performance Audit Committee of 30 April 2015
7. Update report by the Secretary to the Commission
8. Update report by the Controller of Audit
9. Council funding gaps, 2015/16 to 2017/18
10. Freedom of Information Publication Scheme
11. Audit appointment 2014/15: Glasgow and Clyde Valley Cabinet Joint Committee
12. Audit of Best Value: East Dunbartonshire Council
13. Audit of Best Value: East Dunbartonshire Council [*in private*]
14. Draft response to Scottish Government consultation: draft Climate Change (Reporting on Climate Change Duties (Scotland) Order 2015
15. Commission extranet [*in private*]
16. Commission business matters [*in private*]

1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of interest

The following declarations of interest were made:

- Christine May, in item 14, as Vice-Chair of Fife Cultural Trust.
- Graham Sharp, in items 12 and 13, as a resident of East Dunbartonshire.

3. Decisions on taking business in private

It was agreed that items 13 to 16 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 16 April 2015

The minutes of the meeting of 16 April 2015 were submitted and approved.

5. Minutes of meeting of Financial Audit and Assurance Committee of 30 April 2015

The minutes of the meeting of the Financial Audit and Assurance Committee of 30 April 2015 were submitted and approved.

In relation to item 5 (Local government overview: approach), it was agreed that thought be given to ensuring the dissemination of work on financial ratios in relation to local government accounts.

Action: Director of Performance Audit and Best Value

6. Minutes of meeting of Performance Audit Committee of 30 April 2015

The minutes of the meeting of the Performance Audit Committee of 30 April 2015 were submitted and approved.

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 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 the Edinburgh Tram Inquiry had issued a call for evidence. At its meeting on 25 September 2014, the Commission had agreed that a summary of the possible scope of appropriate audit work in relation to the trams project be produced and submitted to the public inquiry as appropriate; and noted that, notwithstanding this, the public inquiry may issue a formal call for evidence and accordingly to await further advice in this regard.

Following discussion, it was agreed that the proposed submission to the inquiry, based on the above, be submitted to the Commission.

Action: Secretary

- Noted advice from the Secretary that he had arranged for Grant Thornton, auditor to Manchester City Council and surrounding district authorities, to brief the Commission at a forthcoming meeting on progress with the Manchester Combined Authority.
- In relation to Item 4 (Performance audit: School education), noted advice from the Director of Performance Audit and Best Value that he would report more fully to the Commission on the impact of the report.
- In relation to paragraph 7 (ICAS memorandum of understanding with CIPFA), to note advice from the Director of Performance Audit and Best Value that the Auditor General had recently met with the chief executives of both organisations.
- In relation to paragraph 11 (Local Government and Regeneration Committee: evidence session with SOLACE and Improvement Service, 25 March), agreed that discussion take place with SOLACE and the Improvement Service around assurance in relation to the reliability of data.

Action: Secretary

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.

9. Council funding gaps, 2015/16 to 2017.18

The Commission considered a report by the Director of Performance Audit and Best Value providing details of the budget shortfalls and funding gaps that councils are projecting over the next three years.

During discussion, the Commission agreed that:

- The Director engage with CIPFA Directors of Finance to discuss issues arising from the report, including seeking their view about how councils make such information more accessible and understandable to citizens.

- Thereafter, local auditors engage with councils to the same end.
- Thereafter, the Director report on progress to the Financial Audit and Assurance Committee.
- The Director report back to the Commission on the implications of the report on issues around 'going concern'.

Actions: Director of Performance Audit and Best Value

Thereafter the Commission agreed to note the report.

10. Freedom of Information Publication Scheme

The Commission considered a report by the Secretary to the Commission seeking approval of a revised Freedom of Information publication scheme and its submission to the Scottish Information Commissioner for approval for the period 31 May 2015 to 31 May 2019.

During discussion, it was agreed:

- That members' expenses be included in the scheme.
- Agendas for future meetings of the Commission set out the reasons why any item of business is being proposed to be considered in private.

Actions: Secretary

Thereafter the Commission agreed to approve the publication scheme and its submission to the Scottish Information Commissioner.

Action: Secretary

11. Audit appointment 2014/15: Clyde Valley Cabinet Joint Committee

The Commission considered a report by the Assistant Auditor General seeking approval for the appointment of Fiona Kordiak, Director of Audit Services, as the appointed auditor for Glasgow and Clyde Valley Cabinet Joint Committee.

Following discussion, the Commission agreed to the appointment for 2014/15 and 2015/16 financial years.

12. Audit of Best Value: East Dunbartonshire Council

The Commission considered a report by the Secretary to the Commission seeking its consideration of the Controller of Audit's report of the audit of Best Value in East Dunbartonshire Council and seeking direction on how to proceed.

During consideration, the Commission agreed:

- To note advice from the Secretary that in paragraph 4 of his covering report, "February 2013" should read "February 2014".
- To consider in private how to proceed.

13. Audit of Best Value: East Dunbartonshire 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 discussed how to proceed in relation to the statutory report by the Controller of Audit on the audit of Best Value in East Dunbartonshire Council.

Following discussion, the Commission agreed:

- To make findings.
- As part of those findings, to require the Controller of Audit to report again within 18 months.
- To invite elected representatives of the council to a meeting with the Commission to discuss its findings.

Actions: Secretary

14. Draft response to Scottish Government consultation: draft Climate change (Reporting on Climate Change Duties) (Scotland) Order 2015 [in private]

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

The Commission considered a report by the Secretary to the Commission proposing a draft response to the Scottish Government's consultation on the proposed introduction of mandatory reporting against climate change duties across the public sector.

During discussion, the Commission agreed:

- The terms of a draft response, made jointly with the Auditor General and Audit Scotland.
- That these terms include a suggestion to the Scottish Government that it consider ensuring that arm's length external organisations be included in councils' obligations.
- That, as part of that response, to advise the Scottish Government of the Commission's view that it need not be designated as a 'major player' in terms of the proposed regulation because:
 - of the four criteria set out for being a 'major player', namely number of employees, expenditure, carbon footprint, and influence, only 'influence' is applicable to the Commission.
 - Audit Scotland, in providing services to the Commission, uses resources and thus generates greenhouse gas emissions.
 - whilst the Commission has an important influencing role in local government through, for example, its findings in relation to Controller of Audit reports or its performance audit reports, such influence can most practicably be reported by Audit Scotland.

Thereafter the Commission agreed to the submission of the draft response.

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

15. Commission extranet [in private]

The Commission agreed that this item be held in private to allow it to consider the design of a private extranet site.

The Commission considered a presentation by the Information Services Manager and Secretary to the Commission on the proposed new extranet portal for members to remotely access Commission papers and other Commission business.

During discussion, the Commission noted that the portal was now available for members' use, and that feedback should be made to either the Information Services Manager or Secretary to the Commission.

16. 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 Commission noted advice from the Chair that there were no issues requiring discussion under this item.