

MEETING: 12 NOVEMBER 2015**MINUTES OF PREVIOUS MEETING**

Minutes of the 420th meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 8 October 2015, at 10.15am

PRESENT: Douglas Sinclair (Chair)
Ronnie Hinds (Deputy Chair)
Alan Campbell
Sandy Cumming
Sophie Flemig
Sheila Gunn
Tim McKay
Christine May
Stephen Moore
Graham Sharp
Pauline Weetman
Geraldine Wooley

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 [Item 11]
Graeme Greenhill, Senior Manager, PABV [Item 12]
Ronnie Nicol, Assistant Director, PABV [Item 12]
Lindsey Paterson, Director, PricewaterhouseCoopers [Item 12]
Claire Richards, Senior Auditor, PABV [Item 12]
Rebecca Smallwood, Auditor, PABV [Item 14]
Claire Sweeney, Assistant Director, PABV [Item 14]
Mark Taylor, Assistant Director, ASG [Item 10]

<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 10 September 2015
5.	Minutes of Financial Audit and Assurance Committee of 24 September 2015
6.	Minutes of Performance Audit Committee of 24 September 2015
7.	Minutes of meeting of Audit Scotland Board of 19 August 2015
8.	Update report by the Secretary to the Commission
9.	Update report by the Controller of Audit
10.	Briefing: Scotland Act
11.	Appointment of Auditors to Integration Joint Boards
12.	Audit of Best Value: Moray Council
13.	Audit of Best Value: Moray Council [private]
14.	Performance Audit – draft report: Health and social care integration
15.	Consultation: Delivering Good Governance in Local Government Framework – draft response
16.	Commission business matters

Preamble

The Chair welcomed Sophie Flemig, Sheila Gunn and Geraldine Wooley to their first meeting of the Commission.

1. Apologies for absence

It was noted that that there were no apologies for absence.

2. Declarations of interest

The following declarations of interest were made:

- Alan Campbell, in item 15, as a former member the CIPFA and SOLACE working group that developed the current 'Delivering Good Governance in Local Government Framework'.
- Christine May, in item 15, as Vice-Chair of Fife Cultural Trust

3. Decisions on taking business in private

It was agreed that items 13, 14 and 16 should be taken in private for the following reasons:

- Item 13 requires the Commission to consider actions in relation to a report by the Controller of Audit. The Commission is then obliged by statute to inform the council in question of its decision, which the Commission does before making the decision public.
- Item 14 proposes a draft performance audit report, which the Commission is to consider and consult appropriately with stakeholders before publishing.
- Item 16 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

4. Minutes of meeting of 10 September 2015

The minutes of the meeting of 10 September 2015 were submitted and approved.

Arising therefrom, in relation to item 8, the Commission noted advice from the Secretary that he was preparing a briefing paper for members on issues around local business rates schemes in Scotland and elsewhere in the UK.

5. Minutes of Financial Audit and Assurance Committee of 24 September 2015

The minutes of the meeting of 24 September 2015 were submitted and approved.

Arising therefrom, in relation to item 5, the Commission approved the recommendation of the Committee that issues around the handling of complaints and related information feature in any revised scope of Best Value, as part of its review of auditing of Best Value.

6. Minutes of Performance Audit Committee of 24 September 2015

The minutes of the meeting of 24 September 2015 were submitted and approved.

7. Minutes of meeting of Audit Scotland Board, 19 August 2015

The minutes of the meeting of Audit Scotland Board of 19 August 2015 were noted.

8. 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 agreed, in relation to paragraph 29, that the Director of Performance Audit and Best Value liaise with the Secretary on the implications of the Education (Scotland) Bill on the Commission and Audit Scotland.

Action: Secretary

Thereafter, the Commission agreed to note the report.

9. 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.

10. Briefing: Scotland Act

The Commission considered a report by Mark Taylor, Assistant Director, Audit Services Group, providing an update on key developments surrounding further financial devolution and the strengthening of Audit Scotland's organisational arrangements in this regard.

Following discussion, the Commission:

- Noted that the Assistant Director would keep the Commission updated in this regards.
- Noted the report.

Action: Secretary

11. Appointment of Auditors to Integration Joint Boards

The Commission considered a report by the Assistant Auditor General requesting that the Commission confirm the appointment of external auditors to the Integration Joint Boards (IJBs) that have been created under the Public Bodies (Joint Working) (Scotland) Act 2014.

Following discussion, the Commission agreed:

- To note, in relation to the Appendix, that KMPG are the auditors of Scottish Borders IJB.
- To approve the appointment of the auditors of each relevant council as the auditor of the IJB for that council area for 2015/16.
- That in the case of Stirling and Clackmannanshire councils' IJB, the auditor of Stirling Council be appointed.
- That in the case of those IJBs yet to be formed, the appointment take effect from the date of formation.

Actions: Assistant Auditor General

12. Audit of Best Value: The Moray Council

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

Following questions to the Controller of Audit, the Commission agreed to consider in private how to proceed.

13. Audit of Best Value: The Moray Council [in private]

The Commission discussed how to proceed in relation to the statutory report by the Controller of Audit on the audit of Best Value in The Moray Council.

Following discussion, the Commission agreed:

- To make findings, to be published on 30 October 2015.
- As part of those findings, to note that it will maintain its interest in the progress made by the Council and that the Controller of Audit will continue to monitor progress through the annual audit process

Actions: Secretary

14. Performance Audit – draft report: Health and social care integration: progress update [in private]

The Commission considered a report by the Director of Performance Audit and Best Value seeking approval of and proposing ways of promoting the draft performance audit report *Health and social care integration: progress update*.

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, Stephen Moore and Pauline Weetman.
- To approve the publication and promotion arrangements for the report.

Actions: Director of Performance Audit and Best Value

15. Consultation: Delivering Good Governance in Local Government Framework – draft response

The Commission considered a report by the Secretary proposing a draft response on behalf of the Commission to the CIPFA/SOLACE consultation on the Framework for Delivering Good Governance in Local Government.

Following discussion, the Commission agreed the terms of the draft response subject to incorporating points raised in discussion.

Action: Secretary

16. Commission business matters

There being no further business, the meeting was closed.