

# **Accounts Commission**

**Financial Audit and Assurance Committee minutes**

**2015**

## ACCOUNTS COMMISSION

### FINANCIAL AUDIT AND ASSURANCE COMMITTEE

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Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 26 February 2015, at 10.00am.

PRESENT: Douglas Sinclair (Chair)  
Colin Duncan  
Tim McKay  
Linda Pollock  
Pauline Weetman

IN ATTENDANCE: Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)  
Fiona Kordiak, Director of Audit Services [Items 4 and 7]  
Gillian Woolman, Assistant Director, Audit Services [Item 5]  
Russell Frith, Assistant Auditor General [Items 6, 8 and 9]  
Joanna Stevenson, Audit Manager, Audit Strategy [Item 6]  
David McConnell, Assistant Director, Audit Services [Item 7]  
Owen Smith, Senior Manager, Audit Strategy [Item 8]  
John Gilchrist, Manager, Audit Strategy [Item 9]  
Angela Canning, Assistant Director, PABV  
Peter Worsdale, Audit Manager, PABV

1. Apologies for absence
2. Declarations of interest
3. Draft minutes of meeting of 27 November 2014
4. Current audit issues in councils
5. Intelligence Report: Scottish Public Services Ombudsman, Commissioner for Ethical Standards in public Life in Scotland; Standards Commission; and Information Commissioner
6. Review of 2013/14 local government annual audit reports
7. Review of impact of 2013/14 audit: Audit Services Group
8. Review of impact of 2013/14 audit: firms
9. Review of Audit Scotland corporate quality framework
10. Any other business

1. Apologies

Apologies were noted from Graham Sharp. The Committee agreed that Douglas Sinclair would stand in as chair.

2. Declarations of interest

Tim McKay declared an interest in item 4 as former Chair of Lothian Pension Trustees.

3. Minutes of meeting of 27 November 2014

The minutes of the meeting of 27 November 2014 were approved.

Arising therefrom, the Committee:

- In relation to item 4, second bullet point, (legacy liabilities) to note that the Director of PABV would report to the Commission in March 2015.
- In relation to item 5 (council budgets), first bullet point, to note that the Director of PABV would report an overview of budget shortfalls across councils to the Commission in March 2015.
- In relation to item 5 (individual councils), third bullet point, to note that the Director of PABV would submit a Best Value report to the Commission on East Dunbartonshire in April or May 2015.
- In relation to item 7 (Local Government Pension Scheme), second bullet, to note advice from the Director of Performance Audit and Best Value that the Chair had yet to write to pension fund trustees and local authorities highlighting the headline messages arising from the audits.

4. Current audit issues in councils

The Committee considered a report by the Director of Audit Services outlining emerging issues, recurring themes and individual issues of interest in Scottish councils, focusing on issues relevant to the annual audit.

During discussion it was agreed:

- To note that the Commission's views on the format of the paper are sought, and should be shared with Graham Sharp, who would be undertaking further discussions with the Director in this regard.
- To note that audit planning guidance for the 2014/15 audit includes work on preparedness for health and social care integration.
- In relation to paragraph 11, the term "management restructure" be used if more appropriate rather than "transformation" in future such reporting.
- In relation to Appendix 1, that totals be added for each column of the table.

*Action: Director of Audit Services*

- In relation to paragraph 9 it was agreed that further information be provided on the resources involved in Fife Council's financial management system.

*Action: Director of Audit Services*

- In relation to paragraph 10 to note that the report on funding gaps would be provided to the Commission in March 2015
- In relation to paragraph 12 it was noted that the Director will monitor the shared Head of Finance arrangement in Shetland and Aberdeen city councils. The councils concerned are reviewing the effectiveness of the arrangement in autumn 2015. A report will be made to the Committee once this has been undertaken.

*Action: Director of Audit Services*

5. Intelligence Report: Scottish Public Services Ombudsman, Commissioner for Ethical Standards in Public Life in Scotland; Standards Commission; and Information Commissioner

The Committee considered a report by the Secretary to the Accounts Commission providing an update for intelligence emerging from the work of the Scottish Public Sector Ombudsman (SPSO), Commissioner for Ethical Standards in Public Life in Scotland; Standards Commission for Scotland and Scottish Information Commissioner. The report complemented the *Current Audit Issues in Councils* report in providing Committee members with a comprehensive picture of intelligence covering issues of concern in councils and highlighting intelligence covering the fourth quarter of 2014.

During discussion the Committee agreed:

- That MSP issues investigated by the Standards Commissioner be included in future reports to allow a ready comparison across sectors.
- That it would be useful for comparisons to be made also on the previous year (rather than previous period).
- In relation to paragraph 23 that the Commission be updated on the latest position regarding the application of FOI.
- That thought be given to making future such reports more concise.

*Action: Secretary to the Commission*

6. Review of 2013/14 local government annual audit reports

The Committee considered an update report by the Assistant Auditor General providing the Committee with a follow-up review of audit risks identified from the 2013/14 audit planning process and reported in council annual audit reports.

During discussion the Committee agreed:

- That the report be issued to the firms as a courtesy.
  - *Action: Assistant Auditor General*
- In relation to paragraph 23 the Committee noted that risks in councils regarding health and social care integration would be further explored in the forthcoming performance audit on progress in this regard.

Thereafter the Committee agreed to note the key messages and observations from this review of annual audit reports.

7. Review of impact of 2013/14 audit: Audit Services Group

The Committee considered a report by the Director of Audit Services providing a record and sharing examples of where Audit Services Group staff have made an impact in the course of their audit work.

During discussion the Committee agreed:

- That for future reports, In relation to the tables from paragraph 9, the value of the second column be considered – this summarises actions rather than outcomes, and is not used in the impact review for firms, Item 8.
- That for future reports, case studies be considered for a more in-depth look into impact.

*Action: Director of Audit Services*

Thereafter the Committee agreed to note the report.

8. Review of impact of 2013/14 audit: firms

The Committee considered a report by the Assistant Auditor General outlining the types, prevalence and significance of risks and recommendations being reported by private firm auditors mapped across the four Audit Scotland impact categories.

During discussion the Committee agreed:

- That thought be given to how to track whether recommendations are implemented

*Action: Assistant Auditor General*

- To note that the revised Code of Audit Practice will be available over mid-summer and the Committees' views on this will be invited.

Thereafter the Committee agreed to note the key messages and observations in the report

9. Review of Audit Scotland corporate quality framework

The Committee considered a report by the Assistant Auditor General inviting comment on what features it would value in the revised Quality Framework document.

During discussion the Committee agreed:

- That the role of the Commission and the Auditor General be incorporated into the framework, for example the Commission members' role as project sponsors
- That accessibility of publications and public reporting feature in the report
- In relation to paragraph 36, that consideration be given to amending the wording in the impact dimensions to 'Governance and Continual Improvement'.

10. Any other business

The Committee noted that there was no other business to be considered.

## ACCOUNTS COMMISSION

### FINANCIAL AUDIT AND ASSURANCE COMMITTEE

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Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 30 April 2015, at 10.00am.

PRESENT:           Graham Sharp (Chair)  
                  Colin Duncan  
                  Linda Pollock  
                  Pauline Weetman  
                  Douglas Sinclair

IN ATTENDANCE: Paul Reilly, Secretary to the Commission  
                  Fraser McKinlay, Controller of Audit and Director of Performance Audit  
                  and Best Value (PABV)  
                  Cathy MacGregor, Project Manager, PABV [Item 5]  
                  Russell Frith, Assistant Auditor General [Item 6]  
                  Fiona Mitchell-Knight, Assistant Director, Audit Services [Item 4]  
                  Allister Perston, Audit Manager, Audit Services [Item 4]

1. Apologies for absence
2. Declarations of interest
3. Draft minutes of meeting of 26 February 2015
4. Current audit issues in councils
5. Local government overview: approach
6. Accounting and auditing update
7. Any other business

1. Apologies

It was noted that apologies for absence had been received from Tim McKay.

2. Declarations of interest

Linda Pollock declared an interest in item 4 as a member of the board of the Care Inspectorate and as a trustee of Enable.

3. Minutes of meeting of 26 February 2015

The minutes of the meeting of 26 February 2015 were noted.

Arising therefrom, the Committee:

- In relation to item 3, fourth bullet point (letter to pension fund trustees), noted advice from the Secretary that the letter would be shared with members.
- In relation to item 5 (intelligence report), noted advice from the Secretary that reports of intelligence from the Scottish Public Services Ombudsman and others would be submitted to the Committee on a six-monthly basis, starting from its meeting in September.
- In relation to item 6 (review of 2013/14 local government annual audit reports), noted advice from the Assistant Auditor General that the report had been issued to audit firms involved in the annual audit.

4. Current audit issues in councils

The Committee considered a report by the Director of Audit Services outlining emerging issues, recurring themes and individual issues of interest in Scottish councils, focusing on issues relevant to the annual audit.

During discussion it was agreed:

- To note advice from the Secretary that from the next meeting, the report would be provided by the Controller of Audit.
- To note advice from the Assistant Auditor General that he would liaise with the local auditor in relation to any information arising from the National Fraud Initiative in relation to the case in relation to East Renfrewshire Council overpaying an estimated £1 million for personal care to the charity Enable for an individual who died in May 2011.

*Action: Assistant Auditor General*

- To note advice from the Controller of Audit about the progress of the proposed position statement on health and social care integration, which would be considered by the Commission later in the year..
- To note advice from the Controller of Audit that an ongoing issue around a European ruling on how capital investment projects, including a number of schools projects, are classified, upon which he would keep a watching brief.
- To note advice from the Controller of Audit that he continued to monitor the decisions by Midlothian Council in relation to the housing development at Newbyres.

Thereafter the Committee agreed to note the report.

5. Local government overview: approach

The Committee considered a joint report by the Secretary to the Commission and Director of PABV seeking consideration of the approach to the next overview report and the Commission's oversight of the process.

Following discussion the Committee agreed:

- That the current report be sent to health board chief executives.

*Action: Secretary to the Commission*

- To note the initial impact of the 2015 overview report.
- That more information be provided on informal council feedback on the 2015 report as it becomes available.
- That the approach to promoting the report in individual councils be more formally considered as part of the promotion strategy for next year's report.
- That the themes and messages in the report be presented in a longer-term perspective of three years, taking cognisance of the potential impact of the local government elections in 2017.
- That the report reflect consistency with the Commission's strategic priorities.
- To continue with the current high-level review of context and identifying priorities for councillors in the year ahead.
- That more analysis of past performance and trends, and a forward-looking section on changes and influences on, for example, demographics and policy context, be undertaken
- That supplementary data be made more accessible and interactive.
- To note the proposals for Commission oversight of the report involving the Commission sponsors and Commission Chair and Deputy Chair.

*Actions: Director of PABV*

6. Accounting and auditing update

The Committee considered a report by the Assistant Auditor General informing members of recent accounting and auditing developments affecting the public sector, particularly local government in Scotland.

Following discussion the Committee agreed:

- To note advice from the Director of PABV that he was considering the implications of equal pay issues on his work programme.
- That further information be provided on Chartered Institute of Public Finance and Accountancy guidance to councils on the accounting treatment of collaborative arrangements.

*Action: Assistant Auditor General*

Thereafter the Committee agreed to note the report.

7 Any other business

The Committee noted advice from the Secretary that its next meeting would be on 18 June 2015.

## **ACCOUNTS COMMISSION**

### **FINANCIAL AUDIT AND ASSURANCE COMMITTEE**

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Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 18 June 2015, at 10am.

PRESENT: Douglas Sinclair (Chair)  
Ronnie Hinds  
Linda Pollock  
Pauline Weetman  
Tim McKay

IN ATTENDANCE: Paul Reilly, Secretary to the Commission  
Russell Frith, Assistant Auditor General  
Fiona Kordiak, Director of Audit Services  
John Gilchrist, Manager, Audit Strategy [Items 4 to 7]  
Owen Smith, Senior Manager, Audit Strategy [Items 4 to 7]

1. Apologies for absence
2. Declarations of interest
3. Draft minutes of meeting of 30 April 2015
4. Current audit issues in councils
5. Annual audit plans overview
6. Audit procurement strategy
7. Code of audit practice
8. Any other business

In the absence of Graham Sharp, Douglas Sinclair assumed the Chair.

1. Apologies

It was noted that apologies for absence had been received from Graham Sharp and Colin Duncan.

2. Declarations of interest

Linda Pollock declared an interest in item 4 as a member of the board of the Care Inspectorate and as a trustee of Enable.

3. Minutes of meeting of 30 April 2015

The minutes of the meeting of 30 April 2015 were noted and approved.

Arising therefrom, in relation to item 4, second bullet point (East Renfrewshire Council – overpayment of personal care), it was noted that the item would be discussed as part of item 4.

4. Current audit issues in councils

The Committee considered a report by the Controller of Audit outlining emerging issues in Scottish councils that had been previously been discussed by the Committee.

During discussion, the Committee agreed:

- To note advice from the Controller of Audit that he would continue to monitor the situation with regard to the housing and non-housing repairs contract in North Lanarkshire Council.
- That the Controller of Audit keep the Committee informed on progress in Midlothian Council in relation to the Newbyres Housing Development.

*Action: Controller of Audit*

- In relation to East Renfrewshire Council (overpayment of personal care):
  - To note advice from the Assistant Auditor General that the National Fraud Initiative (NFI) does not currently cover care-at-home, but that he was discussing with partners involved in the NFI the implications of this in relation to the next round of NFI audit work, upon which he would report further to the Committee.

*Action: Assistant Auditor General*

- To note advice from the Director of Audit Services that she would report further to the Committee on the risks around payments in relation to care management.

*Action: Director of Audit Services*

Thereafter the Committee agreed to note the report.

5. Annual audit plans overview

The Committee considered a report by the Assistant Auditor General on his review of auditors' plans for the 2014/15 audits.

During discussion the Committee agreed to note advice from the Director of Audit Services that she was discussing with the Assistant Auditor General issues around the definition of audit risk and the implications of this for audit planning, upon which they would keep the Committee informed.

*Action: Assistant Auditor General  
and Director of Audit Services*

Thereafter the Committee agreed to note the report.

6. Audit procurement strategy

The Committee considered a report by the Assistant Auditor General seeking the Committee's views on a paper setting out issues in relation to a procurement strategy for the next round of audit appointments, for onward consideration of the emerging strategy by the Accounts Commission at its next meeting.

Following discussion the Committee agreed a range of provisional conclusions in the paper, to be presented to the Commission at its next meeting.

*Action: Assistant Auditor General*

7. Code of audit practice

The Committee considered a report by the Assistant Auditor General seeking the Committee's views on the direction and key changes to the next Code of Audit Practice that will be in place for the next procurement round, for onward consideration by the Accounts Commission at its next meeting

Following discussion, the Committee agreed:

- That the paper to be presented to the Commission at its next meeting address the range of points raised and revisions agreed in discussion.
- That a draft of the paper be shared with the members of the Best Value audit review group in advance of the next Commission meeting.

*Action: Assistant Auditor General*

8. Any other business

There being no further business, the meeting was closed.

## ACCOUNTS COMMISSION

### FINANCIAL AUDIT AND ASSURANCE COMMITTEE

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Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 24 September 2015, at 10am.

PRESENT:               Graham Sharp (Chair)  
                          Colin Duncan  
                          Ronnie Hinds  
                          Tim McKay  
                          Linda Pollock  
                          Douglas Sinclair  
                          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  
                          Fiona Kordiak, Director of Audit Services  
                          Angela Canning, Assistant Director, PABV [Item 6]  
                          Mark McCabe, Senior Manager, PABV [Item 6]  
                          Cathy MacGregor, Audit Manager, PABV [Item 6]  
                          Tim Bridle, Technical Adviser, Audit Strategy [Item 7]  
                          Paul O'Brien, Senior Manager, Audit Strategy [Item 9]

1. Apologies for absence
2. Declarations of interest
3. Draft minutes of meeting of 18 June 2015
4. Current audit issues and risks in councils
5. Intelligence Report: Scottish Public Services Ombudsman
6. Local government overview: project brief
7. Local government pension funds: analysis 2014/15
8. Briefing: social care payments
9. Accounting and auditing update
10. Any other business

9. Apologies

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

10. Declarations of interest

The following declarations of interest were made:

- Ronnie Hinds, in item 4, as a former Chief Executive of Fife Council.
- Tim McKay, in item 7, as former Chair of Lothian Pension Fund Trustees.
- Linda Pollock, in item 8, as a member of the board of the Care Inspectorate and as a trustee of Enable.

11. Minutes of meeting of 18 June 2015

The minutes of the meeting of 18 June 2015 were noted and approved.

12. Current audit issues and risks in councils

The Committee considered a report by the Controller of Audit outlining emerging issues, recurring themes and individual issues of interest in Scottish councils.

During discussion, the Committee agreed:

- That future such reports set out more clearly the audit implications of matters being reported.
- To recommend to the Commission that workforce issues remain as an area of interest and possible future audit work.

*Action: Secretary*

- That the local government overview report covers issues around City Region Deals.

*Action: Director of Performance Audit and Best Value*

- In relation to Dunfermline Flood Prevention Scheme, to note advice from the Controller of Audit that:
  - he anticipated that that this issue would feature in the annual audit report to Fife Council and the Controller of Audit.
  - he would liaise with the *Major capital investment in councils* audit team to discuss the desirability of including issues around flood prevention schemes in the report.
- In relation to issues around compliance in a subsidiary of Glasgow City Council in relation to European Structural Funds, to note advice from the Controller of Audit that he would provide further information on the financial sums involved in the matter.

*Action: Controller of Audit*

13. Intelligence Report: Scottish Public Services Ombudsman etc.

The Committee considered a report by the Secretary to the Accounts Commission providing an update of intelligence emerging from the work of the Scottish Public Sector Ombudsman (SPSO), Commissioner for Ethical Standards in Public Life in Scotland; Standards Commission for Scotland and Scottish Information Commissioner.

During discussion the Committee agreed:

- To note the report.
- That the Controller of Audit and Director of Audit Services consider how to ensure familiarity of the report among local audit teams.

*Action: Controller of Audit and Director of Audit Services*

- That the Controller of Audit provide the information arising from local authorities' assessments of performance on complaints handling, as required by the SPSO model complaints handling procedure.

*Action: Controller of Audit*

- Agreed to recommend to the Commission that complaints handling feature in any revised scope of Best Value, as part of the Commission's review of auditing of Best Value.

*Action: Secretary*

14. Local government overview: project brief

The Committee considered a report by the Director of Performance Audit and Best Value proposing the approach to the 2016 local government overview report.

Following discussion, the Committee approved the approach proposed in the Director's report, subject to the report team addressing the issues raised in discussion, in conjunction with the audit sponsors, Tim McKay and Pauline Weetman.

*Action: Director of Performance Audit and Best Value*

15. Local government pension funds: analysis 2014/15

The Committee considered a report by the Secretary to the Commission introducing a presentation by the Assistant Auditor General on an analysis of the unaudited local government pension funds annual reports and accounts 2014-15. The presentation was undertaken by Tim Bridle, Technical Adviser, Audit Strategy Group.

During discussion, the Committee:

- Noted the presentation.
- Agreed that the Commission's interest in local government pension funds was as follows:
  - Being assured about councils' input into, and the governance of, pension funds.

- Considering any issues arising from the performance of the funds.
- Considering developments elsewhere in this regard, such as in England.
- Agreed that issues around local government pension funds be included in the local government overview report.

*Action: Director of Performance Audit and Best Value*

16. Briefings: Social Care payments

The Committee considered a report by the Director of Audit Services providing a summary of exceptions reported in the area of social care payments as part of the 2014/15 audits.

During discussion, the Committee:

- Noted control weaknesses in social care payments
- Agreed that issues arising be included in the local government overview report, with particular reference to the imminent integration of health and social care services and the establishment of integrated joint boards.

*Action: Director of Performance Audit and Best Value*

- Agreed that the potential be explored of featuring arising issues in the National Fraud Initiative exercise.

*Action: Assistant Auditor General*

- Agreed that issues arising be considered in the context of discussions around the work programme, particularly in relation to self-directed support.

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

Thereafter, the Committee noted the report.

17. Accounting and Auditing Update

The Committee considered a report by the Assistant Auditor General informing members of recent accounting and auditing developments affecting the public sector, particularly local government in Scotland.

Following discussion, the Committee noted the report.

18. Any other business

The Chair advised that this was the last meeting of the Commission for Colin Duncan and Linda Pollock. He thanked them for their input to and support of the Committee during their terms, and conveyed, on behalf of the Committee, best wishes for the future.

There being no further business, the meeting was closed.

## **MINUTES OF MEETING OF FINANCIAL AUDIT AND ASSURANCE COMMITTEE OF 26 NOVEMBER 2015**

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Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 102 West Port, Edinburgh on Thursday, 26 November 2015, at 10am.

PRESENT:               Graham Sharp (Chair)  
                              Sheila Gunn  
                              Tim McKay  
                              Douglas Sinclair  
                              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)  
                              Angela Canning, Assistant Director, PABV [Item 6]  
                              Angela Cullen, Assistant Director, PABV [Item 5]  
                              Russell Frith, Assistant Auditor General [Item 6]  
                              Fiona Kordiak, Director of Audit Services [Item 4]  
                              Mark McCabe, Senior Manager, PABV [Item 6]  
                              Cathy MacGregor, Audit Manager, PABV [Item 6]  
                              Gillian Woolman, Assistant Director, Audit Services Group [Item 4]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 24 September 2015
4.	Current audit issues and risks in councils
5.	Risk monitoring and programme development
6.	Local government overview: emerging messages
7.	'Telling the Story'
8.	Any other business

## Preamble

The Chair welcomed Sheila Gunn and Geraldine Wooley to their first meeting of the Committee.

### 1. Apologies

It was noted that apologies for absence had been received from Ronnie Hinds.

### 2. Declaration of interest

Geraldine Wooley declared an interest in item 4, as a member of the Fife Valuation Appeal Committee and as a previous consultant to Glasgow City Building.

### 3. Minutes of meeting of 24 September 2015

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

Arising therefrom:

- In relation to item 4, fourth bullet (Dunfermline Flood Prevention Scheme), advice was noted from the Controller of Audit that he would be reporting further to the Commission on progress in this regard.
- In relation to item 8, second bullet (social care payments – Local Government Overview), in response to a query from Pauline Weetman, advice from the Controller of Audit was noted that whilst the issue does not yet feature in the current draft of the Local Government Overview report, it would do so in the next draft.

*Actions: Controller of Audit*

### 4. Current audit issues and risks in councils

The Committee considered a report by the Controller of Audit outlining emerging issues, recurring themes and individual issues of interest in Scottish councils.

During discussion, the Committee agreed:

- To note advice from the Controller of Audit that:
  - a report by Audit Scotland on correspondence received in relation to the Lennoxton Initiative was published on 24 November.
  - in his ongoing review of annual audit reports, he was reviewing the reporting of liabilities in relation to equal pay, upon which he would keep the Committee informed.
  - the issue of a suspension of a senior employee in relation to taxi contracts was being monitored by the external auditor and would feature in the annual audit report.
  - he would consider the implications of the Non Domestic (Business) Rates Revaluation 2017.
- That future such reports provide assurance to the committee that such issues are actively taken into account by appointed auditors in the discharge of their responsibilities.

*Action: Controller of Audit*

5. Risk monitoring and programme development

The Committee considered a report by the Director of PABV providing an update of progress with programme development in advance of the Commission and Auditor General considering a proposed programme in December.

During discussion the Committee agreed:

- To note feedback from Commission members on a previous draft of the work programme and Audit Scotland's summary of public sector risks.
- Proposals for Audit Scotland engaging with the Committee and Commission around monitoring of public sector risks and the work programme.
- To recommend a number of proposals to the Commission for inclusion in the draft work programme to be considered at its December meeting.

*Action: Director of PABV*

6. Local government overview: project brief

The Committee considered a report by the Director of PABV proposing emerging messages for the 2016 local government overview report.

During discussion, the Committee agreed:

- A number of revisions to the emerging messages, to be considered by the audit team in conjunction with the report sponsors, Tim McKay and Pauline Weetman.
- That a draft report be considered by the Commission at its meeting on 11 February.
- To endorse the proposals in the report on how to increase the impact of the Local Government Overview report.

*Actions: Director of PABV*

7. 'Telling the Story'

The Commission considered a report by the Assistant Auditor General advising of the latest developments in a project led by Chartered Institute of Public Finance and Accountancy and the Local Authority (Scotland) Accounts Advisory Committee to streamline local authority financial statements and improve their accessibility to the user, described as *Telling the Story*.

During discussion, the Committee:

- Agreed to recommend to the Commission that, as part of the work programme, work be undertaken to assess the quality and effectiveness of councils' annual publishing of council tax and wider financial information.

*Action: Director of PABV*

- Noted the link between the project and the Commission's interest in public performance reporting as articulated in its annual performance information Direction and ongoing review of auditing Best Value.
- Noted the report.

8. Any other business

The Chair advised that there was no further business and closed the meeting.