

# **Accounts Commission**

**Performance Audit Committee minutes**

**2014**

**ACCOUNTS COMMISSION**

**MEETING 13 MARCH 2014**

**MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 27 FEBRUARY 2014**

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 27 February 2014, at 10.30am.

PRESENT: Douglas Sinclair (Chair)  
Mike Ash  
Alan Campbell  
Sandy Cumming  
Christine May  
Colin Peebles

**OTHER COMMISSION**

MEMBERS PRESENT: Colin Duncan [Items 6 to 9]  
Linda Pollock [Item 7]

IN ATTENDANCE: Fraser McKinlay, Director of Performance Audit and Best Value (PABV)  
Paul Reilly, Secretary and Business Manager  
Angela Canning, Assistant Director, PABV [Items 4, 5 and 8]  
Angela Cullen, Assistant Director, PABV  
Graeme Greenhill, Senior Manager, PABV [Item 7]  
Cathy McGregor, Project Manager, PABV [Item 8]  
Michael Oliphant, Project Manager, PABV [Item 6]  
Sarah Pollock, Project Manager, PABV [Item 7]  
Graeme Samson, Senior Auditor, PABV [Item 6]  
Gordon Smail, Senior Manager, PABV [Item 6]  
Claire Sweeney, Senior Manager, PABV [Item 8]  
Kirsty Whyte, Senior Performance Auditor, PABV [Item 7]

**Item no.      Subject**

1. Apologies for absence
2. Declarations of interest
3. Minutes of meeting of 28 November 2013
4. Update on Performance Audit programme and *How Councils Work* series
5. Performance audit programme: quality assurance arrangements
6. Performance audit: update – Scotland's public finances: local progress
7. Performance audit: emerging messages – School education
8. Performance audit: emerging messages – Self-directed support
9. Any other business

1. Apologies for absence

There were no apologies for absence.

2. Declarations of interest

The following declarations of interest were made:

- Mike Ash, in item 8, as the Chair of East Lothian Community Health Partnership.
- Christine May, in item 4, as Vice-Chairman of Fife Cultural Trust.

3. Minutes of meeting of 28 November 2013

The minutes of the meeting of 28 November 2013 were approved as a correct record.

Arising therefrom:

- In relation to the first bullet point of paragraph 4 (first sub-bullet: *How councils work* series), advice from the Secretary and Business Manager was noted that a survey of all council leaders, chairs of audit committees and chief executives had been undertaken. The survey, which sought views on the usefulness of the *How councils work* series and on possible future subjects in this regard, would be reported to the Commission at its annual strategy seminar.
- In relation to the fourth to sixth bullet points of paragraph 4 (impact reports), advice from the Director of Performance Audit and Best Value was noted that he was considering the schedule of impact reports to the Committee, and would provide an update in this regard in due course.

4. Update on Performance audit programme and *How Councils Work* series

The Committee considered a report by the Director of Performance Audit and Best Value providing an update on progress with performance audits, the *How Councils Work* series and impact reports along with information on development work to support its work programme.

During discussion, the Committee noted advice from the Chair that he would be appearing at a meeting of the Scottish Parliament's Local Government and Regeneration Committee, alongside the Auditor General, on 5 March to discuss the performance audit programme.

Thereafter the Committee agreed to note the report.

5. Performance audit programme: quality assurance arrangements

The Committee considered a report by the Director of Performance Audit and Best Value outlining proposals for changing the scoping and emerging messages stages of performance audits.

During discussion, the Committee agreed:

- To note the experiences of members in their role as sponsors for performance audits, particularly in relation to liaising with and participating in project advisory groups.
- That the Director of Performance Audit and Best Value report on both the benefits and constraints of commissioning or involving scrutiny partners in performance audit work.

- That the proposals in the report, in relation to proposed changes be piloted for this and the next meeting of the Committee, and decision be made thereafter by the Committee as to future arrangements.

*Actions: Director of Performance Audit and Best Value*

6. Performance audit: update – Scotland’s public finances: local progress

The Committee considered a report by the Director of Performance Audit and Best Value seeking approval of the approach to the targeted follow-up performance audit *Scotland’s public finances – local progress* – a joint report for the Accounts Commission and the Auditor General. The report was complemented with a presentation from the audit team.

During discussion, the Committee:

- Agreed a number of specific points to be addressed by the audit team in scoping the audit.
- Agreed that checklists would be a particularly important part of the final report.
- Agreed the importance of reinforcing the message of the need for difficult decisions in relation to providing services because of reducing finances.
- Agreed that, given the potential criticality of the report in relation to council budget cycles, appropriate external stakeholders – such as CIPFA Directors of Finance – be alerted at an early opportunity to the forthcoming publication of the report, and including, as appropriate, emerging messages in advance of publication.
- Noted the likely overlap between this audit and the proposed audit on borrowing and treasury management.
- Agreed the need for consistency in messages between this report and the local government overview report.

*Actions: Director of Performance Audit and Best Value*

Thereafter the Committee approved the approach to the targeted follow-up performance audit *Scotland’s public finances – local progress*.

7. Performance audit: emerging messages – School education

The Committee considered a report by the Director of Performance Audit and Best Value on the emerging messages from the performance audit of school education. The report was complemented with a presentation from the audit team.

During discussion, the Committee agreed a number of specific points to be addressed by the audit team in drafting the report of the audit.

Thereafter the Committee agreed that a draft audit report be brought to the Commission meeting in April prior to publication in May 2014.

*Actions: Director of Performance Audit and Best Value*

8. Performance audit: emerging messages – Self-directed support

The Committee considered a report by the Director of Performance Audit and Best Value on the emerging messages from the performance audit of self-directed support. The report was complemented with a presentation from the audit team.

During discussion, the Committee:

- Agreed a number of specific points to be addressed by the audit team in drafting the report of the audit.
- Noted advice from Mike Ash about the benefit of the joint meeting which took place between Commission sponsors and the Auditor General to discuss emerging messages.
- That consideration be given about how messages in the final report will be disseminated to stakeholders such as service providers and the Scottish Government.

Thereafter the Committee agreed that a draft audit report be brought to the Commission meeting in April prior to publication in June 2014.

*Actions: Director of Performance Audit and Best Value*

9. Any other business

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

**ACCOUNTS COMMISSION**

**MEETING 19 JUNE 2014**

**MINUTES OF MEETING PERFORMANCE AUDIT COMMITTEE OF 29 MAY 2014**

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Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 29 May 2014, at 2pm.

PRESENT: Douglas Sinclair (Chair)  
Mike Ash  
Alan Campbell  
Colin Peebles

OTHER COMMISSION  
MEMBERS PRESENT: Graham Sharp [Item 6]

IN ATTENDANCE: Paul Reilly, Secretary to the Commission  
Gillian Battison, Project Manager, Performance Audit and Best Value (PABV) [Item 6]  
Angela Cullen, Assistant Director, PABV [Items 4, 6 and 7]  
Claire Sweeney, Senior Manager, PABV [Item 7]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 27 February 2014
4.	Update on Performance Audit programme and <i>How Councils Work</i> series
5.	<i>How Councils Work</i> series
6.	Performance audit: scope – Borrowing and treasury management
7.	Performance audit impact reports: (a) Reducing reoffending (b) Health inequalities
8.	Any other business

1. Apologies for absence

It was noted that apologies for absence had been received from Sandy Cumming and Christine May.

2. Declarations of interest

Mike Ash declared an interest in item 7 as a member of the Board of NHS Lothian, Chair of East Lothian Community Health Partnership and member of East Lothian Community Planning Partnership.

3. Minutes of meeting of 27 February 2014

The minutes of the meeting of 27 February 2014 were approved as a correct record.

4. Update on Performance audit programme and *How Councils Work* series

The Committee considered a report by the Director of Performance Audit and Best Value providing an update on progress made during 2013/14 and 2014/15 on the performance audit programme and the *How Councils Work* series. The report also provided information on development work to support the work programme of the Performance Audit and Best Value team.

During discussion, the Committee agreed that scrutiny partners be involved in discussions on the performance audit programme.

Thereafter the Committee noted the update report and agreed to extend future update reports to the whole PABV work programme.

*Actions: Director of Performance Audit and Best Value*

5. *How Councils Work* series

The Committee considered a report by the Secretary seeking its views on future subjects for the *How councils work* series of reports

Following discussion the Committee agreed:

- To note stakeholders' favourable perception of the series, as demonstrated in a survey of council leaders, audit committee chairs and chief executives.
- To note the views expressed by the Financial Audit and Assurance Committee.
- To note that these views would be formally considered by the Commission.

6. Performance audit: scope – Borrowing and treasury management

The Committee considered a report by the Director of Performance Audit and Best Value seeking approval of the approach to the performance audit on *Borrowing and treasury management in councils*.

Following discussion, the Committee approved the approach outlined in the Director's report and the supporting issues and investigations matrix, subject to the audit team addressing the issues raised in discussion, in conjunction with the audit sponsors.

7. Performance audit impact reports: (a) Reducing reoffending; and (b) Health inequalities

The Committee considered a report by the Director of Performance Audit and Best Value seeking its consideration of impact reports on two performance audits published during 2012/13, namely *Reducing reoffending in Scotland* and *Health inequalities in Scotland*.

During discussion, the Committee agreed:

- To note advice from Claire Sweeney on the themed work by the Scottish Parliament's Health and Sport Committee on health inequalities, including a short inquiry on early years
- To recommend to the Commission that the potential of follow-up work be explored as part of its consideration of the performance audit programme at its 'workshop' event on 21 August 2014.
- That such consideration include the desirability of breaking down the theme into smaller issues, including, for example, drug and alcohol services
- To note advice from Claire Sweeney on ongoing work by the Care Inspectorate and Health Improvement Scotland on
  - strategic commissioning plans of health and social care integration joint boards

*Action: Director of Performance Audit and Best Value*

Thereafter the Committee noted both impact reports.

8. Any other business

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



**ACCOUNTS COMMISSION**

**MEETING 25 SEPTEMBER 2014**

**MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 11 SEPTEMBER 2014**

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Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 11 September 2014, at 10am.

PRESENT: Douglas Sinclair (Chair)  
Mike Ash  
Alan Campbell  
Sandy Cumming  
Christine May

OTHER COMMISSION  
MEMBERS PRESENT: Bill McQueen  
Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Commission  
Fraser McKinlay, Director of Performance Audit and Best Value (PABV)  
Angela Canning, Assistant Director, PABV [Item 4]  
Gemma Diamond Senior Manager, PABV [Item 6]  
Dorothy Lavery, Performance Auditor, PABV [Item 6]  
Michael Oliphant, Project Manager, PABV [Item 5]  
Mark Pentland, Performance Auditor, PABV [Item 6]  
Mark Roberts, Senior Manager, PABV [Item 7]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 29 May 2014
4.	Update on Performance Audit programme and <i>How Councils Work</i> series
5.	Performance audit: scope – Commonwealth Games (third report)
6.	Performance audit: emerging messages – Treasury management and borrowing
7.	Performance audit impact reports: Protecting consumers
8.	Any other business

1. Apologies for absence

It was noted that apologies for absence had been received from Colin Peebles.

2. Declarations of interest

Christine May declared an interest in item 4 as Vice-Chairman of Fife Cultural Trust.

3. Minutes of meeting of 29 May 2014

The minutes of the meeting of 29 May 2014 were approved as a correct record.

Arising therefrom, the Committee:

- In relation to item 4 (Performance audit programme and *How Councils Work* series), noted advice from the Chair that possible subjects for future work in relation to performance audit were the subject of discussion at the meeting of the Strategic Scrutiny Group on 28 August.
- In relation to the final bullet of item 7 (health and social care integration joint boards), advice was noted:
  - From the Director of Performance Audit and Best Value that, at the recent meeting of the Strategic Scrutiny Group, there had been a useful discussion, involving Kathleen Bessos, Deputy Director, Integration and Reshaping Care in the Scottish Government, on the need for the Commission and the Scottish Government to work closely in relation to the progress with the development of integration joint boards.
  - From the Chair that there remained a commitment for a presentation at a meeting of the Commission on progress on the 'body corporate' model of integrated joint boards.

4. Update on Performance audit programme and *How Councils Work* series

The Committee considered a report by the Director of Performance Audit and Best Value providing an update on progress with performance audits and related impact reports and the *How Councils Work* series.

During discussion, the Committee:

- Agreed, in relation to the Commission report on School Education, that the Director provide more information on how councils responded to the report.

*Action: Director of Performance Audit and Best Value*

- Further in this regard, noted advice from the Chair that the audit sponsors should consider taking part in engagement with councils in relation to the report.
- Further in this regard, that, more generally, audit sponsors should consider as appropriate participating in reporting and promotional activities such as presentations to councils or audit committees.

*Action: All members to note.*

- Agreed that thought be given to products that encourage good practice, for example, how education committees can ensure their effectiveness.

*Action: Director of Performance Audit and Best Value*

- Noted advice from the Director that proposals for work around health and social care integration would feature in the report to the Commission at its November meeting on proposals for the performance audit programme.
- Noted advice from the Chair that proposals for work around elected member development would be considered by the Commission in relation to the *How Councils Work* series.

*Action: All members to note.*

Thereafter the Committee noted the update report.

5. Performance audit: scope – Commonwealth Games (third report)

The Committee considered a report by the Director of Performance Audit and Best Value seeking its approval of the approach to the performance audit *Commonwealth Games – third report*; a joint audit for the Accounts Commission and Auditor General. The report was complemented with a presentation from the audit team.

Following discussion, the Committee:

- Approved the approach proposed in the Director’s report and the supporting issues and investigation matrix, subject to the audit team addressing the issues raised in discussion, in conjunction with the audit sponsors.
- Agreed that the Director review the overall approach to audit advisory groups, to ensure the suitability for purpose of such groups.

*Actions: Director of Performance Audit and Best Value*

Thereafter the Committee approved the approach to the performance audit *Commonwealth Games – third report*.

6. Performance audit: emerging messages - Treasury management and borrowing

The Committee considered a report by the Director of Performance Audit and Best Value on the emerging messages from the performance audit on *Treasury management and borrowing*. The report was complemented with a presentation from the audit team.

Following discussion, the Committee agreed:

- A number of specific points to be addressed by the audit team in drafting the report of the audit.
- That thought be given on how to market practical advice in the report as part of the *How Councils Work* series.
- That a draft audit report be brought to the Commission meeting in December 2014 prior to publication in January 2015.

*Actions: Director of Performance Audit and Best Value*

7. Performance audit impact report – Protecting consumers

The Committee considered a report by the Director of Performance Audit and Best Value providing an update on the impact of the Accounts Commission’s report on *Protecting consumers* published in January 2013.

Following discussion, the Committee agreed:

- That a roundtable event for stakeholders, similar to that in relation to the report in November 2013, be arranged in November 2014 to further assess progress.

- To note the report.

*Actions: Director of Performance Audit and Best Value*

8. Any other business

The Chair advised that this meeting was the last such committee meeting to be attended by Mike Ash. He thanked Mike for all his input into the committee in his time as a Commission member.

**ACCOUNTS COMMISSION**

**MEETING 11 DECEMBER 2014**

**MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 27 NOVEMBER 2014**

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Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 27 November 2014, at 2pm.

PRESENT:               Ronnie Hinds (Chair)  
                              Alan Campbell  
                              Sandy Cumming  
                              Christine May  
                              Stephen Moore  
                              Colin Peebles  
                              Douglas Sinclair

IN ATTENDANCE:     Paul Reilly, Secretary to the Commission  
                              Fraser McKinlay, Director of Performance Audit and Best Value (PABV)  
                              Ronnie Nicol, Assistant Director, PABV [Items 4 and 6]  
                              Colin Bragg, Performance/Best Value Auditor, PABV [Item 6]  
                              Tricia Meldrum, Senior Manager, PABV [Item 5]  
                              Kathrine Sibbald, Senior Manager, PABV [Item 6]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 11 September 2014
4.	Update on Performance Audit programme and <i>How Councils Work</i> series
5.	Performance audit: emerging messages – <i>Commonwealth Games (third report)</i>
6.	Performance audit impact report: <i>Housing in Scotland</i>
7.	Any other business

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 items 7 and 12, as Vice-Chair of Fife Cultural Trust.
- Colin Peebles, in item 6, as chair of Stirling, Falkirk and Clackmannan branch of Soldiers, Sailors, Airmen and Families Association (SSAFA) Forces Help, and as a property owner and registered private landlord.

3. Minutes of meeting of 29 May 2014

The minutes of the meeting of 29 May 2014 were approved as a correct record.

Arising therefrom, the Committee:

- In relation to item 4, first bullet point (Performance audit report: School Education), noted advice from the Director of Performance Audit and Best Value (PABV) that he would report to the next meeting of the Committee on the impact of the report.

*Action: Director of PABV*

- In relation to item 4, fifth bullet point (health and social care integration), noted advice from the Secretary that a briefing on progress in health and social care integration would take place at the February meeting of the Commission.
- In relation to item 7 (Performance audit report: Protecting consumers), noted advice from the Secretary that he would establish when a roundtable event was planned.

*Action: Secretary to Accounts Commission*

4. Update on Performance audit programme and *How Councils Work* series

The Committee considered a report by the Director of PABV providing an update on progress with performance audits and related impact reports and the *How Councils Work* series.

During discussion, the Committee:

- Agreed, in relation to the Commission performance audit report on School Education, to note advice from the Director that the audit team would be meeting the leadership team of Education Scotland, upon which he would report back at the next meeting of the Committee.
- In relation to the performance audit report on self-directed support:
  - Agreed to note advice from the Director that self-directed support would feature in his report to the Commission at its December meeting on the performance audit programme.
  - Agreed that the impact report include reference to savings from the initiative.
- Agreed, in relation to the Commission performance audit report on Procurement in councils, that the Director consider how due diligence might feature in performance audit work.

- Agreed to note advice from the Director that the issue of balance between new areas of work and follow-up/impact work would feature in his report to the Commission at its December meeting on the performance audit programme.
- In relation to the Commission performance audit report on roads maintenance, that the issue of road traffic numbers in relation to road condition be considered in scoping for the proposed follow-up report in this regard.

*Actions: Director of PABV*

Thereafter, the Committee noted the report.

5. Performance audit: emerging messages – Commonwealth Games (third report)

The Committee considered a report by the Director of PABV on the emerging messages from the performance audit *Commonwealth Games – third report*, a joint audit for the Accounts Commission and Auditor General. The report was complemented with a presentation from the audit team.

Following discussion, the Committee agreed:

- A number of specific points to be addressed by the audit team in drafting the report of the audit.
- To note that the approach taken by the Commission and Auditor General in producing three reports has so far allowed an effective longitudinal assessment of the Games project.
- To note that there remains an option of a further report in this regard in the future.

*Actions: Director of PABV*

6. Performance audit: impact report – Housing in Scotland

The Committee considered a report by the Director of PABV providing an update on the impact of the Accounts Commission's report on *Housing in Scotland* published in July 2013.

Following discussion, the Committee agreed:

- A number of specific points to be addressed by the audit team in drafting the final impact report.
- To recommend to the Commission that further thought be given by the Commission to performance audit work in relation to housing, in the context of its report at its December meeting on the performance audit programme.
- That, further in this regard, to recommend to the Commission that it consider follow-up work in this regard.
- That Audit Scotland liaise with the Housing, Regeneration and Welfare Finance Board to re-emphasise the messages of the report.
- To note the report and agree that it be published.

*Actions: Director of PABV*

7. Any other business

The Chair advised that there was no other business for the Committee to consider.