

Accounts Commission

Performance Audit Committee minutes

2015

ACCOUNTS COMMISSION

PERFORMANCE AUDIT COMMITTEE

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, 26 February 2015, at 2pm.

PRESENT: Douglas Sinclair (Chair)
Alan Campbell
Sandy Cumming
Stephen Moore
Colin Peebles

IN ATTENDANCE: Fraser McKinlay, Director of Performance Audit and Best Value (PABV)
Angela Canning, Assistant Director, PABV
Claire Sweeney, Senior Manager, PABV [Item 5]
Andra Laird, Audit Manager, PABV [Item 6]
Peter Worsdale, Audit Manager, PABV

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 27 November 2014
4.	Update on Performance Audit programme and <i>How Councils Work</i> series
5.	Update: plans for performance audit work on health and social care integration
6.	Performance audit: impact report – <i>Managing early departures in the Scottish public sector</i>
7.	Any other business

1. Apologies for absence

Apologies were noted from Ronnie Hinds and Christine May

2. Declarations of interest

Sandy Cumming declared an interest as a rural college board member in relation to agenda item 6.

3. Minutes of meeting of 27 November 2014

The minutes of the meeting of 27 November 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 with performance audits and related impact reports and the *How Councils Work* series.

During discussion, the Committee:

- Noted that the planned 2015/16 publication on roles and responsibilities should also include roles on boards
- Agreed that the audit entitled 'social care' be known as 'social work services' to reflect the statutory responsibilities of councils in this regard.

Actions: Director of Performance Audit and Best Value

Thereafter, the Committee noted the report.

5. Update: plans for performance audit work on health and social care integration

The Committee considered a report by the Director of Performance Audit and Best Value and considered proposals for future performance audit work in relation to the integration of health and social care services.

Following discussion, the Committee agreed:

- That it receive a further report later in 2015 on the preparedness of councils for health and social care integration.
- That guidance be given to auditors to emphasise that health and social care integration has a wide scope beyond delayed discharges for example.

*Actions: Directors of Performance Audit and Best Value
and Audit Services*

6. Performance audit: impact report – *Managing early departures in the Scottish public sector*

The Committee considered a report by the Director of Performance Audit and Best Value providing an update on the impact of the joint report by the Accounts Commission and the Auditor General on *Managing Early Departures in the Scottish Public Sector*, published in May 2013.

Thereafter, the Committee noted the report.

7. Any other business

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

ACCOUNTS COMMISSION

PERFORMANCE AUDIT COMMITTEE

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, 30 April 2015, at 2pm.

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

IN ATTENDANCE: Fraser McKinlay, Director of Performance Audit and Best Value (PABV)
 Carol Calder, Senior Manager, PABV [Item 5]
 Antony Clark, Assistant Director, PABV [Item 7]
 Lucy Jones, Auditor, PABV [Item 5]
 Jillian Matthew, Audit Manager, PABV [Item 5]
 Kathrine Sibbald, Audit Manager, PABV [Item 7]
 Claire Sweeney, Assistant Director, PABV [Item 6]

<u>Item no.</u>	<u>Subject</u>
8.	Apologies for absence
9.	Declarations of interest
10.	Minutes of meeting of 26 February 2015
11.	Performance audit programme and scrutiny work update
12.	Performance audit: scope – Understanding pressures in the health and social care system
13.	World class programme development: monitoring the policy environment
14.	Performance information, benchmarking and public performance reporting: progress
15.	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 6 as the Vice-Chair of Fife Cultural Trust.

3. Minutes of meeting of 26 February 2015

The minutes of the meeting of 26 February 2015 were noted, subject to noting that the Committee had agreed that Douglas Sinclair assume the chairing of the meeting in the absence of Ronnie Hinds.

4. Performance audit programme and scrutiny work update

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.

Following discussion, the Committee agreed to:

- Note advice from Douglas Sinclair that he and the other sponsor for the audit on roles and responsibilities, Tim McKay, would be meeting the audit team to discuss the scope of the audit.
- Note the report.

5. Performance audit: scope – Understanding pressures in the health and social care system

The Committee considered a report by the Director of Performance Audit and Best Value seeking approval of the approach to the performance audit *Pressures in health and social care*, 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, subject to the audit team addressing the issues raised in discussion, in conjunction with the audit sponsors, Ronnie Hinds and Christine May.

Action: Director of Performance Audit and Best Value

6. World class programme development: monitoring the policy environment

The Committee considered a report by the Director of PABV supporting a presentation on, and seeking agreement on, how the Commission could engage in monitoring of the policy environment.

Following discussion, the Committee agreed that the Director present for its approval proposals at a future meeting on an approach to, and a schedule of, policy briefings.

7. Performance information, benchmarking and public performance reporting: progress

The Committee considered a presentation by the Assistant Director of PABV on progress in developing proposals for a long-term strategic approach for the

Commission in fulfilling its responsibilities and duties in relation to statutory performance information and public performance reporting.

Following discussion, the Committee agreed:

- To note the progress update.
- That proposals, including proposed terms of discussion with stakeholders such as the Improvement Service, be considered more fully by the Commission.
- That any discussions with stakeholders take place following such consideration by the Commission.

*Actions: Director of Performance Audit and Best Value
and Secretary to the Commission*

8. Any other business

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

ACCOUNTS COMMISSION

PERFORMANCE AUDIT COMMITTEE

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, 18 June 2015, at 2pm.

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

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
 Antony Clark, Assistant Director, PABV [Item 5]
 Angela Cullen, Assistant Director, PABV [Items 4, 5 and 6]
 Ursula Lodge, Audit Manager, PABV [Item 4]
 Martin McLauchlan, Senior Auditor, PABV [Item 4]
 Gordon Neill, Senior Manager, PABV [Item 5]
 Andra Laird, Audit Manager, PABV [Items 5 and 6]
 Mark Pentland, Auditor, PABV [Item 6]

<u>Item no.</u>	<u>Subject</u>
16.	Apologies for absence
17.	Declarations of interest
18.	Minutes of meeting of 30 April 2015
19.	Performance audit: scope – Major capital investment in councils
20.	Performance audit: scope – Health and social care integration
21.	Performance audit: impact report – Reshaping the public sector workforce
22.	Any other business

1. Apologies for absence

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

2. Declarations of interest

It was noted that there were no declarations of interest.

3. Minutes of meeting of 30 April 2015

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

Arising therefrom, in relation to item 7 (Performance information, benchmarking and public performance reporting: progress), the Committee noted advice from the Secretary that Douglas Sinclair and Ronnie Hinds were meeting the board of the Local Government Benchmarking Framework on 19 June.

4. Performance audit: scope: Major capital investment in councils

The Committee considered a report by the Director of Performance Audit and Best Value seeking approval on the approach to the performance audit *Major capital investment in councils (follow-up)*. The report was complemented with a presentation from the audit team.

Following discussion, the Committee approved the approach proposed in the Director's report, subject to the audit team addressing the issues raised in discussion, in conjunction with the audit sponsors, Sandy Cumming and Graham Sharp.

Action: Director of Performance Audit and Best Value

5. Performance audit: scope – Health and social care integration

The Committee considered a report by the Director of Performance Audit and Best Value seeking approval of the approach to the performance audit *health and social care integration – position statement*, 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, subject to the audit team addressing the issues raised in discussion, in conjunction with the audit sponsors, Stephen Moore and Pauline Weetman.

Action: Director of Performance Audit and Best Value

6. Performance audit: scope – impact report – Reshaping the public sector workforce

The Committee considered a report by the Director of Performance Audit and Best Value on the impact of the report of the audit *Scotland's public sector workforce*.

Following discussion, the Committee agreed:

- To recommend to the Commission that its next workshop event around the development of the performance audit programme consider issues beyond the scope of this audit, such as workforce redesign, cultural implications and good practice.

Action: Secretary

- That future impact reports provide more comparative analysis of media impact against other audit reports.

Action: Director of Performance Audit and Best Value

- To note that proposals around promotion activity will continue to be developed as a feature of draft audit reports to the Commission.
- That this report, and other future impact reports, be drawn to the attention of council leaders and chief executives, in order that their prominence be improved.

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

7. Any other business

There being no further business, the meeting was closed.

ACCOUNTS COMMISSION

PERFORMANCE AUDIT COMMITTEE

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, 24 September 2015, 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 PABV
 Antony Clark, Assistant Director, PABV [Item 7]
 Angela Cullen, Assistant Director, PABV [Item 4, 8 and 9]
 Graeme Greenhill, Senior Manager, PABV [Items 8, 9 and 11]
 Tricia Meldrum, Senior Manager, PABV [Item 5, 6 and 7]
 Andra Laird, Audit Manager, PABV [item 10]
 John Lincoln, Audit Manager, PABV [Item 7]
 Ursula Lodge, Audit Manager, PABV [Item 9]
 Gordon Neill, Senior Manager, PABV [Item 10]
 Sarah Pollock, Audit Manager, PABV [Item 11]
 Shelagh Stewart, Audit Manager, PABV [Item 8]
 Claire Sweeney, Assistant Director, PABV [Items 4, 5, 6 and 10]
 Kirsty Whyte, Senior Auditor, PABV [Item 11]

<u>Item no.</u>	<u>Subject</u>
23.	Apologies for absence
24.	Declarations of interest
25.	Minutes of meeting of 18 June 2015
26.	Performance audit programme and scrutiny work update
27.	Programme development: making the best use of data
28.	Programme development: monitoring the policy environment
29.	Performance audit: scope – Social work services
30.	Performance audit: scope – Roads maintenance – follow-up report
31.	Performance audit: emerging messages – Major capital investment in councils
32.	Performance audit: emerging messages – Health and social care integration
33.	Performance audit: review – School education
34.	Any other business

8. Apologies for absence

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

9. Declarations of interest

The following declarations of interest were made:

- Ronnie Hinds, in item 10, as a non-Executive director of the Scottish Government.
- Christine May, in item 4, as Vice-Chair of Fife Cultural Trust.

10. Minutes of meeting of 18 June 2015

The minutes of the meeting of 18 June 2015 were approved, subject to including Colin Peebles in the list of those present.

In relation to item 3, advice from Ronnie Hinds was noted that he and the Commission Chair had met with the board of the Local Government Benchmarking Framework on 19 June and that a meeting with SOLACE was scheduled for 27 November 2015.

11. Performance audit programme and scrutiny work update

The Committee considered a report by the Director of PABV (PABV) providing an update on progress with the range of work carried out by the PABV Group on behalf of the Accounts Commission and Auditor General.

During discussion, the Committee agreed :

- That the following be considered in discussions around the work programme and specific proposed pieces of work:
 - In relation to the 'communities' stream:
 - the impact of local authority and housing association housing disposals in England on the Scottish housing market.
 - the impact of ongoing equal pay negotiations and disputes, including issues around trade-offs with service provision.
 - thought be given to ensuring the timing of any such work around the implementation of the Community Empowerment Act.
 - In relation to the 'social care' stream, that issues around children with additional support needs be featured in future work and also be considered in ongoing performance audit work in relation to health and social care.
- That future such reports provide more clarity in relation to work outputs and implications for the work programme.

Actions: Director of PABV

- To note advice from the Director and the Secretary that they would consider further the format of future such reports, given the ongoing development of the Commission's approach to its work programme.

Thereafter, the Committee noted the report.

12. Programme development: making the best use of data

The Committee considered a report by the Director of PABV summarising the initiatives currently underway to improve how Audit Scotland uses data to support and inform the development of the work programme.

During discussion, the Committee agreed:

- To note the Commission's continuing interest in working with the Local Government Benchmarking Board to explore ways of measuring citizen and service user opinion of council performance.
- That the Director continue to develop an approach to the intelligent use of data in managing the work programme and carrying out specific audits.

Action: Director of PABV

Thereafter, the Committee noted the report.

13. Programme development: monitoring the policy environment

The Committee considered a report by the Director of PABV proposing an approach to briefing the Committee on the policy environment., and providing a briefing on early years and school education.

Following discussion, the Committee agreed:

- To endorse the proposed approach to policy briefings, including the schedule of subject areas as set out in the report.
- A number of observations to be applied to the next such policy briefing in this subject area.
- To endorse the proposed areas of work for addressing in the work programme, as set out in the report, namely:
 - Education workforce planning
 - Children with additional support needs
 - Future financial sustainability of education delivery.
 - The role of other bodies in improving education.
- That, in addition to those areas set out in the report , the following issues be considered for addressing in the work programme:
 - Pre-school education, including pre-school costs
 - Early years issues
 - Declining performance in attainment
 - Wider attainment and outcomes
 - School estate planning.

Action: Director of PABV

14. Performance audit: scope – Social work services

The Committee considered a report by the Director of PABV seeking approval on the approach to the performance audit *Social work services*.

Following discussion, the Committee approved the approach proposed in the Director's report, subject to the audit team addressing the issues raised in discussion, in conjunction with the audit sponsors, Sandy Cumming and Stephen Moore.

Action: Director of PABV

15. Performance audit: scope – Roads maintenance – follow up report

The Committee considered a report by the Director of PABV seeking approval on the approach to the joint performance audit, in conjunction with the Auditor General, *Roads maintenance – follow-up report*.

Following discussion, the Committee approved the approach proposed in the Director's report, subject to the audit team addressing the issues raised in discussion, in conjunction with the audit sponsors, Alan Campbell and Christine May.

Action: Director of PABV

16. Performance audit: emerging messages – Major capital investment in councils

The Committee considered a report by the Director of PABV advising of emerging messages from the performance audit *Major capital investment in councils*.

Following discussion, the Committee agreed to endorse the emerging messages, subject to a number of specific points to be addressed by the audit team in drafting the report of the audit, in conjunction with the audit sponsors, Sandy Cumming and Graham Sharp.

Action: Director of PABV

17. Performance audit: emerging messages – Health and social care integration

The Committee considered a report by the Director of PABV advising of emerging messages from the performance audit, in conjunction with the Auditor General, *Health and social care integration*.

Following discussion, the Committee agreed to endorse the emerging messages, subject to a number of specific points to be addressed by the audit team in drafting the report of the audit, in conjunction with the audit sponsors, Stephen Moore and Pauline Weetman.

18. Performance audit: review – School education

The Committee considered a report by the Director of Performance Audit and Best Value on the impact of the report of the audit *School education*.

Following discussion, the Committee agreed:

- To recommend to the Commission that any further follow-up work in this regard be considered as part of the wider work programme.
- That such follow-up activity include direct correspondence with councils to gauge their progress.

- To note advice from the Director that work on the effectiveness of scrutiny was ongoing, upon which he would report to the Commission in due course.
- To note that the Director would give further consideration as to how to resource such follow-up work, such as that in the *School education* report.

19. Any other business

The Chair advised that this was the last meeting of the Committee for Colin Peebles. He thanked Colin for his input to and support of the Committee during his term, and conveyed, on behalf of the Commission, best wishes for the future.

There being no further business, the meeting was closed.

MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE 26 NOVEMBER 2015

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, 102 West Port, Edinburgh on Thursday, 26 November 2015, at 2pm.

PRESENT: Ronnie Hinds (Chair)
Christine May
Stephen Moore
Douglas Sinclair

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Director of PABV
Douglas Black, Audit Manager, PABV [Item 7]
Anne Cairns, Manager, Benefits, Audit Strategy [Item 8]
Carol Calder, Senior Manager, PABV [Item 6]
Angela Cullen, Assistant Director, PABV [Items 4 and 5]
Gemma Diamond, Senior Manager, PABV [Item 9]
Mark Ferris, Senior Audit Manager, Audit Services Group [Item 7]
Russell Frith, Assistant Auditor General [Item 8]
Graeme Greenhill, Senior Manager, PABV [Item 9]
Jillian Matthew, Audit Manager, PABV [Item 6]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 24 September 2015
4.	Risk monitoring and programme development
5.	Performance audit programme and scrutiny work update
6.	Performance audit: emerging messages – Changing models of health and social care
7.	Performance audit: impact report – Procurement in councils
8.	Housing benefit audit: scope - Good management practice in housing benefit administration
9.	Policy briefing: public finances, investment, economic development
10.	Any other business

1. Apologies for absence

It was noted that apologies for absence had been received from Alan Campbell, Sandy Cumming and Sophie Flemig.

2. Declarations of interest

The following declarations of interest were made:

- Ronnie Hinds, in item 6, as a non-executive director of the Scottish Government.
- Christine May, in items 4 and 5, as Vice-Chair of Fife Cultural Trust.

3. Minutes of meeting of 24 September 2015

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

Arising therefrom, in relation to item.11, fourth bullet (Performance audit: *School education* – follow-up work), it was agreed that the Director consider how to follow-up the audit in the context of the work programme.

Action: Director of PABV

4. 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 on 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.
- Ensure reference in the Local Government Overview report to issues around risks associated with social care commissioning.

Actions: Director of PABV

5. Performance audit programme and scrutiny work update

The Committee considered a report by the Director of PABV providing an update on progress with the range of work carried out by the PABV Group on behalf of the Accounts Commission and Auditor General.

Following discussion, the Committee noted the report.

6. Performance audit: emerging messages – Changing models of health and social care

The Committee considered a report by the Director of PABV advising of the emerging messages from the performance audit *Changing models of health and social care*.

Following discussion, the Committee agreed to endorse the emerging messages, subject to a number of specific points to be addressed by the audit team in drafting

the report of the audit, in conjunction with the audit sponsors, Ronnie Hinds and Christine May.

Action: Director of PABV

7. Performance audit: impact report – Procurement in councils

The Committee considered a report by the Director of PABV proposing an impact report in relation to the performance audit *Procurement in councils*.

Following discussion, the Committee agreed:

- To endorse the draft report, subject to a number of issues raised in discussion being addressed by the audit team.
- To endorse the publication arrangements in relation to the report.
- To note advice from the Director that he would report further on:
 - the future of Scotland Excel.
 - progress with the extension of the powers of National Services Scotland to provide procurement, information technology, counter fraud services, property services, human resources and legal services to non-NHS bodies.
- That the Director consider how council compliance with Scotland Excel contracts be monitored.

Actions: Director of PABV

- That further to this advice, a letter on the Commission's observations in this regard be sent to the Scottish Government.

Action: Director of PABV and Secretary

- That, on publication, the report be sent to the Scottish Government.

Action: Secretary

- That annual audit work in relation to councils' progress against the report be considered as part of the work programme.

Action: Director of PABV

8. Housing benefit audit: scope - Good management practice in housing benefit administration

The Committee considered a report by the Assistant Auditor General seeking approval on the approach to the housing benefit performance audit *Good management practice in housing benefit administration*.

During discussion, the Committee:

- Approved the approach proposed in the report, subject to the audit team addressing the issues raised in discussion.

Action: Assistant Auditor General

- Agreed that the Chair appoint a sponsor for the audit.

Action: Secretary

9. Policy briefing: public finances, investment, economic development

The Committee considered a report by the Director of PABV providing a policy briefing on the public finances, investment and economic development policy cluster.

During discussion, the Committee:

- Noted advice from the Director that Audit Scotland's New Financial Powers Steering Group was considering issues around the capacity of Audit Scotland in relation to arrangements associated with the Scotland Act.
- Noted advice from the Secretary that he would in his regular report to the Commission make reference to the Scottish Government announcement on an independent review of Scotland's planning system.

Action: Secretary

10. Any other business

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