

ACCOUNTS COMMISSION

MEETING 13 FEBRUARY 2014

MINUTES OF PREVIOUS MEETING

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 16 January 2014, at 10.00am

PRESENT: Douglas Sinclair (Chair)
Michael Ash
Alan Campbell
Sandy Cumming
Colin Duncan
Christine May
Bill McQueen
Linda Pollock
Colin Peebles
Graham Sharp
Pauline Weetman

IN ATTENDANCE: Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value
Paul Reilly, Secretary and Business Manager
Antony Clark, Assistant Director, Performance Audit and Best Value (PABV) [Items 8 and 9]
Claire Sweeney, Senior Manager, PABV [Item 7]
Gillian Woolman, Assistant Director, Audit Services [Item 6].

<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 12 December 2013
5.	Update report by the Controller of Audit
6.	Parliamentary Commission on Banking Standards
7.	Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry (Francis Report)
8.	Developing a place and partnership-based joint scrutiny planning process: future developments
9.	Community Empowerment and Renewal Bill: draft response
10.	Commission business matters

1. Apologies for absence

There were no apologies.

2. Declarations of interest

The following declarations of interest were made:

- Michael Ash, in items 8 and 9, as a member of the board of NHS Lothian
- Bill McQueen, in items 8 and 9, as a member of the board of the Scottish Fire and Rescue Service.

3. Decisions on taking business in private

It was agreed that items 7 to 10 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 12 December 2013

The minutes of the meeting of 12 December 2013 were submitted and approved.

Arising therefrom, in relation to item 13, the Commission agreed that the Controller of Audit report to the Financial Audit and Assurance Committee on local press reports in relation to East Dunbartonshire Council advising that it was dealing with a substantial deficit in its revenue budget.

Action: Controller of Audit

5. Update report by the Controller of Audit

The Commission considered a report by the Controller of Audit providing an update on significant recent activity in relation to the audit of local government.

During discussion the Commission:

- Noted advice from the Controller of Audit that the Chair had requested that from the next meeting of the Commission, he and the Secretary and Business Manager provide separate update reports, the former on his activities and the latter on wider issues affecting local government.
- In relation to paragraph 14, agreed that the Controller of Audit report on how the audit process considers optimism bias in local government project planning.

Action: Controller of Audit

Thereafter the Commission agreed to note the report.

6. Parliamentary Commission on Banking Standards

The Commission considered a report by the Director of Audit Services providing a summary of key messages from the Parliamentary Commission on Banking Standards' final report, '*An accident waiting to happen: the failure of HBOS*', published in April 2013, and setting out Audit Scotland's response thereto.

During discussion, the Commission:

- In relation to the issue of the cultural implications of two organisations coming together, noted advice from the Chair that a paper from the Controller of Audit

on the progress of the Highland lead agency model for the integration of health and social care services would be forthcoming at a future meeting.

- Agreed that it consider further how to engage with councils and other stakeholders at the time of publication of legislation on health and social care integration on the implications of the legislation.

Action: Director of Performance Audit and Best Value

- Agreed that it consider further – at its annual Strategy Seminar - how to communicate to local government the lessons arising from the report.

Action: Secretary and Business Manager

- Noted advice from the Controller of Audit that lessons arising from the report will be considered at audit planning events involving Audit Scotland and private firms.
- Agreed that when considering the future of the *How councils work* series, which will be done at its annual Strategy Seminar – that risk management be considered as a possible subject to be featured.
- Agreed that it consider further –at its annual Strategy Seminar –the desirability of a Commission report or other product that sets out the characteristics of the ‘culture of a good council’.

Actions: Secretary and Business Manager

Thereafter the Commission agreed to note the report.

7. Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry (Francis Report) [in private]

The Commission agreed that this item be held in private to allow it to consider issues of a confidential nature.

The Commission considered a report from the Controller of Audit setting out Audit Scotland’s response to the Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry, which was published in February 2013.

Following discussion, the Commission agreed

- That an update on the progress of the Public Bodies (Joint Working) (Scotland) Bill be provided at a future meeting.

Action: Director of Performance Audit and Best Value

- To note advice from the Director of Performance Audit and Best Value that his current work in developing an approach to auditing Best Value included considering Best Value in the health and central government sectors.
- That it consider issues around its engagement with citizens and communities at its annual strategy seminar
- That the Commission receive further updates as appropriate in relation to the progress of Audit Scotland against actions as set out in the report..

Action: Director of Performance Audit and Best Value

Thereafter the Commission agreed to note the report.

8. Developing a place and partnership-based joint scrutiny planning process: future developments [in private]

The Commission agreed that this item be held in private to allow it to consider issues of a confidential nature.

The Commission considered reports from (a) the Controller of Audit, updating the Commission on recent discussions with strategic scrutiny partners on issues associated with the potential impact of an increased emphasis on place, partnership and prevention within Scotland's public service reform agenda on the audit, inspection and regulation of public services; and (b) the Secretary and Business Manager, setting out some issues for the Commission to consider in this regard.

Following discussion, the Commission agreed:

- To note the work undertaken with scrutiny partners through the Strategic Scrutiny Group.
- To note the collaborative scrutiny activity being undertaken with scrutiny partners in its existing audit activity, notably the shared risk assessment process and the audit of community planning partnerships.
- Notwithstanding this activity and the Commission's desire to ensure that it reflects the public service reform agenda in its work (as set out in its Strategy), to prioritise its activities around holding local government to account.
- Accordingly, to continue to focus the shared risk assessment process on the scrutiny of local government.
- To give further consideration – at its annual Strategy Seminar – to being clear about its role in the improvement agenda.

Actions: Director of Performance Audit and Best Value

9. Community Empowerment and Renewal Bill: draft response [in private]

The Commission agreed that this item be held in private to allow it to consider a draft paper.

The Commission considered a report by the Controller of Audit providing an overview of the Community Empowerment (Scotland) Bill and proposing an approach to responding to the Scottish Government's consultation on the Bill.

Following discussion the Commission agreed to delegate authority to the Chair to approve the content of the response to the consultation document in conjunction with the Auditor General, to be prepared based on the Commission's discussion.

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

10. Commission business matters [in private]

The Chair briefed the Commission on forthcoming business for future meetings and on various issues of note in local government.