

MEETING: 8 SEPTEMBER 2016

MINUTES OF PREVIOUS MEETING

Minutes of the 429th meeting of the Accounts Commission held in the offices of Audit Scotland at 102 West Port, Edinburgh, on Thursday, 11 August 2016, at 10.15am

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

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Russell Frith, Assistant Auditor General [Item 8]
Owen Smith, Senior Manager, Audit Strategy [Item 8]
Ronnie Nicol, Assistant Director, PABV [Items 10 and 11]
Gordon Neill, Senior Manager, PABV [Items 10 and 11]
Gillian Battison, Audit Manager, PABV [Items 10 and 11]
Anne MacDonald, Senior Audit Manger, ASG [Items 10 and 11]
Antony Clark, Assistant Director, PABV [Item 12]
Tricia Meldrum, Senior Manager, PABV [Item 12]
John Lincoln, Audit Manager, PABV [Item 12]

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Decisions on taking business in private
4. Minutes of meeting of 9 June 2016
5. Minutes of meeting of Audit Scotland Board of 3 May
6. Update report by the Secretary to the Accounts Commission
7. Update report by the Controller of Audit
8. Annual Audit Transparency and Quality Report
9. Commission meeting arrangements 2017
10. Audit of Best Value: Angus Council
11. Audit of Best Value: Angus Council
12. Performance Audit: Draft report: Social Work
13. Commission business matters

1. Apologies for absence

It was noted that apologies for absence had been received from Sophie Flemig.

2. Declarations of interest

The following declarations of interest were made:

- Sheila Gunn, in item 12, as a non-executive Director of the Wheatley Group, concerning its relationship with Glasgow City Council.

3. Decisions on taking business in private

It was agreed that items 11 to 13 should be taken in private for the following reasons:

- Item 11 requires the Commission to consider actions in relation to a report by the Controller of Audit. The Commission is then obliged by statute to inform the council in question of its decision, which the Commission does before making the decision public.
- Item 12 proposes a draft audit report, which the Commission is to consider and consult appropriately with stakeholders if necessary before publishing.

4. Minutes of meeting of 9 June 2016

The minutes of the meeting of 9 June 2016 were approved, subject to noting advice from the Secretary that:

- In relation to items 8 and 12, the Chair had written to council leaders, copied to chairs of audit and scrutiny committees and chief executives, promoting the Housing benefit audit annual report and the audit report *Housing benefit good practice guide: initiatives which deliver continuous improvement*, a copy of which had been shared with members
- In relation to item 9, the Chair had written to all council leaders, copied to chief executives, confirming that the Commission had approved the framework for the new approach to auditing Best Value, setting out the next steps in the process, and seeking councils' views on the desirability of further engagement with the Commission to this end.

5. Minutes of meeting of Audit Scotland Board 3 May 2016

The minutes of the meeting of the Audit Scotland Board of 3 May 2016 were submitted and noted.

Action: Secretary

6. Update report by the Secretary to the Accounts Commission

The Commission considered a report by the Secretary to the Commission providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

Following discussion, the Commission agreed to note the report.

7. Update report by the Controller of Audit

The Controller of Audit provided a verbal update on his recent activity including meetings and discussions with stakeholders.

The Commission noted the update.

8. Annual Audit Transparency and Quality Report

The Commission considered a report by the Assistant Auditor General presenting Audit Scotland's Transparency and Quality Report 2015/16.

Following discussion, the Commission:

- Agreed a number of drafting points to be considered by the Assistant Auditor General in the drafting of next year's report.

Action: Assistant Auditor General

- Noted Audit Scotland's proposed review of audit quality arrangements and its impact on future such reports.
- Noted the report and the positive assurance that it provides.

9. Commission meeting arrangements 2017

The Commission considered a report by the Secretary to the Commission proposing meeting arrangements for the Commission for 2017.

Following discussion, the Commission:

- Agreed the proposed schedule for meetings of the Commission and its committees in 2017, and in particular:
 - To retain the January meeting as an optional date;
 - To retain the two optional committee dates; and
 - That the August meeting of the Commission start at 10.30am rather than 10.15am.
- Agreed to retain a speaker session during committee days and in this regard agreed that, in relation to paragraph 13 of the report, that a council monitoring officer be included in the schedule of speakers; and
- Agreed that the annual strategy seminar take place in the middle two weeks of March 2017 and a mid-year strategy event in September 2017.

Actions: Secretary

10. Audit of Best Value: Angus Council

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

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

11. Audit of Best Value: Angus Council [in private]

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

Following discussion, the Commission agreed:

- To note that the Controller of Audit would provide further information in support of his report at the next meeting.

- Having considered the options open to it when receiving a report from the Controller of Audit, to take none of these options but to consider further the Controller of Audit's report at its next meeting.

Actions: Controller of Audit and Secretary

12. Performance Audit: Draft report: Social Work [in private]

The Commission considered a report by the Director of PABV seeking approval of the draft performance audit report *Social Work*, and of proposed arrangements for publication and promotion of the report.

Following discussion, the Commission agreed:

- To approve the draft report, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Stephen Moore and Sandy Cumming.
- To approve the publication and promotion arrangements for the report.

Actions: Director of PABV

13. Commission business matters

There being no further business, the meeting was closed.