

**MEETING: 11 JUNE 2020**

**MINUTES OF PREVIOUS MEETING**

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Minutes of the 468<sup>th</sup> meeting of the Accounts Commission held via online meeting on Thursday 21 May 2020, at 10.15am.

**PRESENT:** Graham Sharp  
 Andrew Burns  
 Andrew Cowie  
 Sophie Flemig  
 Sheila Gunn  
 Christine Lester  
 Tim McKay  
 Stephen Moore  
 Elma Murray  
 Sharon O'Connor  
 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)  
 Elaine Boyd, Associate Director, Audit Quality and Appointments (AQA) (Item 7)  
 Antony Clark, Audit Director, PABV (Item 6)  
 Mark McCabe, Audit Manager, PABV (Item 6)  
 John Gilchrist, Manager, AQA (Item 7)  
 Owen Smith, Senior Manager, AQA (Item 7)  
 Rikki Young, Business Manager, PABV (Item 6)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Decisions on taking business in private
4. Minutes of meeting of 7 May 2020
5. Update report by the Secretary to the Commission
6. Performance audit: draft impact report – Equal pay in Scottish councils (in private)
7. Quality of public audit in Scotland: draft report (in private)
8. New audit appointments and Code of Audit Practice – update (in private)
9. Commission business matters (in private)

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:

- Elma Murray, in item 6, as a former senior officer of Glasgow City Council and Chief Executive of North Ayrshire Council. She played no part in consideration of the content of the draft report.
- Geraldine Wooley, in item 5, being a member of the Fife Valuation Appeals Committee, in relation to references to non-domestic rates.

3. Decisions on taking business in private

It was agreed that items 6 to 9 be considered in private because:

- Item 6 proposes a draft report, which the Commission is to consider in private before publishing.
- Item 7 proposes a draft report, which the Commission is to consider in private before subsequent consideration by Audit Scotland Board and publishing thereafter.
- Item 8 requires the Commission to consider confidential commercial and contractual matters.
- Item 9 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

No business was notified by members for item 9 and thus the Chair advised that the item would not require discussion.

4. Minutes of meeting of 7 May 2020

The minutes of the meeting of 7 May 2020 were approved as a correct record.

Arising therefrom, the Commission noted advice from the Controller of Audit that draft Scottish Government guidance on the annual audit of local government bodies in the light of the Covid-19 emergency had recently been received, upon which he would report further to the Commission.

*Action: Controller of Audit*

5. Update report by the Secretary to the Commission

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

The Commission noted advice from the Secretary that, in line with the approach agreed with Commission members as part of new business arrangements in the light of the Covid-19 emergency, members had provided queries on his report in advance of the meeting, a response to which he would circulate to members. The Commission in particular:

- In relation to paragraphs 18 and 81, noted advice from the Secretary on the

use of furlough by councils in England, and advice from the Controller that he would consider how to keep the Commission updated on the impact in this regard in Scotland (queries raised by Andrew Cowie and Sophie Flemig).

*Action: Controller of Audit*

- In relation to paragraphs 30, 42, 60, 68 and 69, noted advice from the Secretary and the Controller of Audit that the Commission would be kept apprised at future meetings on local government funding matters in relation to Covid-19, including: individual council approaches; the impact on integration joint boards; the flow of Covid-19 related funding through local government; and the Scottish Parliament Local Government and Communities Committee's scrutiny of the Scottish Government in relation to Covid-19 and local government (Sheila Gunn, Christine Lester, Pauline Weetman and Geraldine Wooley).

*Action: Secretary and Controller of Audit*

- In relation to paragraph 59, noted advice from the Secretary that the Commission would be considering the Best Value Assurance Report on North Ayrshire Council at its meeting on 11 June. (Sophie Flemig).

The Commission agreed to note the report.

6. Performance audit: draft impact report – Equal pay in Scottish councils (in private)

The Commission considered a report by the Director of PABV seeking approval of the draft impact report for the performance audit *Equal pay in Scottish councils* (published in September 2017), and of proposed arrangements for publishing and promoting the report.

Following discussion, the Commission:

- To approve the draft report.
- To approve the arrangements for publishing and promoting the report, to reflect stakeholders' readiness to receive and digest such messages amidst the current Covid-19 emergency, to be finalised in conjunction with the Chair, Deputy Chair and the sponsors of the audit report, Sheila Gunn and Pauline Weetman.

*Actions: Secretary*

7. Quality of public audit in Scotland: draft report (in private)

The Commission considered a report by the Associate Director, Quality Audit and Appointments (AQA) proposing the draft *Quality of public audit in Scotland annual report 2019/20*.

Following discussion, the Commission agreed:

- That it has positive assurance about the quality of audit work in 2019/20, as reported in quality assurance and reporting processes.
- That this assurance be reported in the Commission's annual report 2019/20.

*Action: Secretary*

- Noted advice from the Associate Director that she had shared with members the draft Audit Scotland transparency report 2019.
- Noted advice from the Associate Director, in relation to auditor and staff

feedback in audit providers, that she would be exploring with audit providers matters around good practice, upon which she would report back.

*Action: Associate Director, AQA*

- Noted advice from the Associate Director that she would report to the Commission, through its committees at their scheduled November meetings, on ongoing discussions with audit providers on improvement areas identified in the report.

*Action: Associate Director, AQA*

- Agreed to give further thought to how the Commission may wish to liaise with audit providers on such improvement areas.

*Action: Secretary and Associate Director, AQA*

- Noted advice from the Associate Director on ongoing discussions with audit providers on matters arising from auditor and staff feedback, as set out in the report.
- That the Associate Director consider how future such reports provide more material on qualitative information, including the reporting of matters associated with 'auditor insight' in annual audit reports.

*Action: Associate Director, AQA*

- That the Associate Director report further on audited body survey results.

*Action: Associate Director, AQA*

- That further information be provided on the Commission's policy on non-audit services.

*Action: Secretary*

- Agreed that any further comments be provided to the Associate Director at the earliest opportunity.

Following discussion, the Commission agreed to endorse *Quality of public audit in Scotland annual report 2019/20*, subject to the Associate Director, AQA considering points raised in discussion.

*Action: Associate Director, AQA*

#### 8. New audit appointments and Code of Audit Practice (in private)

The Commission considered a verbal report by the Deputy Chair providing an update on progress made with audit appointments and the new Code of Audit Practice.

Following discussion, the Commission noted that a full report on progress would be considered at its next meeting.

#### 9. Commission business matters

The Chair, having advised that there was no business for this item, closed the meeting.