

MEETING: 10 SEPTEMBER 2020

MINUTES OF PREVIOUS MEETING

Minutes of the 470th meeting of the Accounts Commission held via online meeting on Thursday 13 August 2020, at 9.30am.

PRESENT: Elma Murray (Chair)
Andrew Burns
Andrew Cowie
Sophie Flemig (Item 12)
Sheila Gunn
Christine Lester
Tim McKay
Stephen Moore (Items 1 to 11)
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)
Maggie Bruce, Senior Audit Manager, Audit Services (Items 6 and 12)
Adam Bullough, Audit Manager, PABV (Items 6 and 12)
Carol Calder, Senior Manager, PABV (Item 8)
Antony Clark, Audit Director, PABV (Item 8)
Blyth Deans, Audit Manager, PABV (Item 8)
Brian Howarth, Audit Director, Audit Services (Items 6 and 12)
Kay Jenks, Senior Auditor, Audit Services (Items 6 and 12)
Claire Richards, Senior Auditor, PABV (Items 6 and 12)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 11 and 18 June 2020
5. Commission Interim Deputy Chair
6. Best Value Assurance Report: Moray Council
7. Commission meeting arrangements 2021
8. Local government overview reporting 2021
9. Secretary's update report
10. Interim Chair's update report
11. Controller of Audit's update report
12. Best Value Assurance Report: Moray Council (in private)

1. Apologies for absence

It was noted that apologies had been received from Sophie Flemig for joining the meeting late (i.e. she was present for item 12 only) and from Stephen Moore for leaving the meeting early (i.e. he left after item 11).

2. Declarations of interest

The following declarations of interest were made:

- Andy Cowie, in items 6 and 12, as a former Her Majesty's Assistant Inspector of Constabulary and former Chief Officer of Police Scotland. Mr Cowie did not take part in consideration of these items.
- Christine Lester, in items 6 and 12, as a council tax payer in the Moray Council area, former Vice-Chair of NHS Grampian Board, and Chair of Moray Integration Joint Board. Ms Lester did not take part in consideration of these items.

3. Order of business

It was agreed that item 12 be considered in private because it 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 appropriate council of its decisions, which the Commission does before making the decision public.

4. Minutes of meeting of 11 and 18 June 2020

The minutes of the meeting of 11 and 18 June 2020 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 5 (third bullet point), noted advice from the Chair that the former Chair had written to the Chair of Audit Scotland Board on the matter, who advised her that he would reply to her in due course.
- In relation to item 10 (second bullet point) and following a query from Geraldine Wooley, noted advice from the Secretary that it would consider, as part of its Commission Insight programme, the accessibility of its reporting. (The Commission Insight Programme is reported in the Secretary report at item 9.)
- In relation to item 12, noted advice from the Interim Chair that the next meeting of the New Audit Appointments Steering Group was late September 2020.

5. Commission Interim Deputy Chair

The Commission considered a report by the Secretary proposing that Tim McKay be nominated for appointment an Interim Deputy Chair of the Commission.

Having noted that members had met and agreed their desire to have such a post, and having heard from Tim McKay, the Commission agreed to formally nominate Tim McKay as Interim Deputy Chair for a period matching that of the Interim Chair, and to note the Minister's contentment with the proposed appointment which would have immediate effect.

Action: Secretary

6. Best Value Assurance Report: Moray Council – Controller of Audit report

The Commission considered a report by the Secretary presenting the Controller of Audit's Best Value Assurance Report for Moray Council. The Commission raised a number of questions and points of clarification from the Controller of Audit on his report in the following areas:

- Officer leadership, management and staff capacity
- Scrutiny and performance management arrangements
- Education services and condition of the Education estate
- Children's services and associated scrutiny
- Approach to financial strategy and the role of the proper finance officer (as set out in legislation))
- Strategic approach to property assets
- Partnership working and community empowerment
- Political leadership and decision-making

The Commission agreed to consider in private how to proceed.

7. Commission meeting arrangements 2021

The Commission considered a report by the Secretary proposing meeting arrangements for 2021, taking into account the response to the Covid-19 emergency.

Following discussion, the Commission agreed:

- The proposed schedule and arrangements for meetings of the Commission and its committees in 2021.
- That the arrangements be kept under review as the response to Covid-19 develops.
- That the quality of virtual and online accessibility of members to Commission business be kept under review in conjunction with Audit Scotland.

Action: Secretary

8. Local government overview reporting 2021

The Commission considered a report by the Director of PABV proposing the scope for the Local government overview (LGO) and Local government financial overview (LGFO) 2021 and his proposals for reflecting Covid-19 in future local government overview reporting.

During discussion, the Commission:

- In response to a point by Geraldine Wooley, agreed that increased Commission reporting on the economy and economic development matters be considered further as part of the Commission Insight programme.

Action: Secretary and Director of PABV

- In response to a point by Stephen Moore, agreed that consistency and effectiveness of messaging with scrutiny partners be pursued through the Strategic Scrutiny Group.

Action: Director of PABV

- In response to various points made by Sheila Gunn, Stephen Moore and Pauline Weetman, noted the importance of the Commission's overview work in reporting on accountability matters relating to funding allocations from government arising from the Covid-19 emergency.

Action: Director of PABV

Following discussion, the Commission agreed:

- A medium-term approach to reflecting Covid-19 in future LGO reporting.
- The outline scope for the content of the LGO 2021 report.
- That more detailed consideration of the LGFO and LGO report structures and content is undertaken as the work progresses through discussion between the Director and the Chair and Deputy Chair as sponsors.
- Agreed to delegate authority to the Chair and Deputy Chair as sponsors to approve the audit flyer for the LGFO and LGO, and
- Agreed to take the emerging messages presentations and draft reports at future Accounts Commission meetings

Action: Director of PABV

9. Secretary's update report

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 comments on his report had been sought in advance of the meeting.

The Commission agreed:

- To note the report.
- In particular, note:
 - The Commission's response to the Scottish Housing Regulator's consultation on the future regulatory approach in response to Covid-19 (paragraph 9).
 - The Commission's response to the Scottish Government's consultation on a proposed review scheme under Section 9 of the Islands (Scotland) Act 2018 (paragraph 10).
 - That the Commission will respond to the Scottish Parliament's Local Government and Communities Committee's consultation on the impact of Covid-19 on the financial sustainability of local government in Scotland (paragraph 110).

Action: Secretary

- To endorse the outcome of the strategy seminar event on 12 August, and in particular to undertake an 'Insight Programme' with a view to the Commission considering over coming months the longer term implications of the current Covid-19 emergency on its role and responsibilities, with a view to publishing a revised strategy and work programme in Spring 2021.

Action: Secretary

10. Interim Chair's update report

The Commission considered a report by the Interim Chair providing an update on recent and upcoming activity.

The Commission agreed to note the report.

11. Controller of Audit's update report

The Commission noted a verbal update from the Controller of Audit on his recent activity.

12. Best Value Assurance Report: Moray Council – Commission decision (in private)

The Commission discussed how to proceed in relation to the Controller of Audit's Best Value Assurance Report for Moray Council.

Following discussion, the Commission agreed to make findings to be published on 27 August.

Close of meeting

The meeting closed at 12.15pm.