

MEETING: 10 MARCH 2022

MINUTES OF PREVIOUS MEETING

Minutes of the 486th meeting of the Accounts Commission held via 'hybrid' (in-person and online) meeting, in the offices of Audit Scotland at 102 West Port, Edinburgh and online on Thursday 10 and 17 February 2022, at 9.30am.

PRESENT: ** William Moyes (in the chair for 17 February)
 * Tim McKay (in the chair for 10 February)
 * Andrew Burns (10 February only)
 ** Andrew Cowie
 ** Sophie Flemig
 ** Christine Lester
 ** Stephen Moore
 ** Sharon O'Connor (10 February only)
 ** Sheila Gunn (17 February only)
 ** Geraldine Wooley

 * In person on 10 February
 ** Online

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
 Antony Clark, Interim Controller of Audit and Director of Performance
 Audit and Best Value (PABV)
 Elaine Boyd, Associate Director, Audit Quality and Appointments
 (AQA) (item 18)
 Adam Bullough, Audit Manager, PABV (items 6 and 12)
 Fiona Caffyn, Audit Officer, PABV (item 16)
 Carol Calder, Interim Audit Director, PABV and Secretary to the
 Strategic Scrutiny Group (items 15, 16 and 19)
 Lynn Conway, Policy and Information Officer, PABV (item 16)
 Cameron Craig, Trainee Auditor, PABV (item 16)
 Maria D'Aria, Audit Officer, PABV (item 14)
 Blyth Deans, Audit Manager, PABV (items 15 and 16)
 John Gilchrist, Manager, AQA (item 18)
 Graeme Greenhill, Senior Manager, PABV (item 13)
 Naomi Hanna, Audit Officer, PABV (item 16)
 Brian Howarth, Audit Director, Audit Services (items 6 and 12)
 Lucy Jones, Senior Auditor, PABV (item 16)
 Jillian Matthew, Senior Manager, PABV (items 6, 12 and 14)
 Mark McCabe, Audit Manager, PABV (item 19)
 Martin McLauchlan, Audit Manager, PABV (item 13)
 Daniel Melly, Auditor, Audit Services (item 8)
 Bernadette Milligan, Audit Manager, PABV (items 15 and 16)
 Claire Richards, Senior Auditor, PABV (items 6 and 12)
 Mark Roberts, Audit Director, PABV (item 13)
 Richard Robinson, Senior Manager, PABV (item 8)
 Owen Smith, Senior Manager, AQA (item 18)
 Mark Taylor, Audit Director, Audit Services (item 8)

<u>Item</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Order of business
4.	Minutes of meeting of 10 December 2021
5.	Audit Scotland Board update
6.	Best Value Assurance Progress Report: Moray Council
7.	Secretary's update report
8.	Scottish Budget briefing 2022/23
9.	Chair's update report
10.	Interim Controller of Audit update report
11.	Any other public business
12.	Best Value Assurance Progress Report – follow-up: Moray Council (in private)
13.	Draft briefing: Scotland's economy: Supporting businesses through the Covid-19 pandemic (in private)
14.	Draft publication: Drug and alcohol services (in private)
15.	* Draft report – Local Government Financial Overview 2020/21 (in private)
16.	* Emerging messages – Local Government Overview 2022 (in private)
17.	Best Value Working Group update (in private)
18.	New audit appointments update (in private)
19.	Strategic Scrutiny Group update (in private)
20.	Any other private business (in private)

* These items were considered on 17 February.

1. Apologies for absence

It was noted that apologies for absence had been received from William Moyes (10 February), Andrew Burns (17 February), Sheila Gunn (10 February) and Sharon O'Connor (17 February).

2. Declarations of interest

The following declarations of interest were noted:

- Andrew Cowie, in items 6 and 12, as a former Her Majesty's Assistant Inspector of Constabulary and former Chief Officer of Police Scotland, and thus previously involved in partnership working with Moray Council. 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, and thus previously involved in partnership working with Moray Council. Ms Lester did not take part in consideration of these items.
- Geraldine Wooley, in items 15 and 16, as a member of Fife Valuation Appeals Committee, in relation to references to local government funding.

3. Order of business

It was agreed that the following items be considered in private:

- Item 12, as it requires the Commission to consider actions in relation to a report by the Interim 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.
- Items 13 to 15, as they propose draft publications which the Commission is to consider in private before publishing.
- Item 16, as it requires the Commission to consider emerging messages from an overview report which may require consideration of confidential audit matters in advance of further audit work.
- Items 17 and 18, as they may require the Commission to consider confidential policy, commercial and contractual matters.
- Item 19, as it requires the Commission to consider matters in relation to strategic scrutiny planning, which may require consideration of confidential policy matters.
- Item 20, as it may require the Commission to consider confidential policy matters.

The Chair advised that there was no business for item 20.

4. Minutes of meeting of 10 December 2021

The minutes of the meeting of 10 December 2021 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 8, fourth bullet point, noted advice from the Secretary that the 2021 Statutory Performance Information Direction was published and sent to councils on 21 December.

- In relation to item 10, third bullet point, noted advice from the Secretary that he had recently shared with members for further discussion a proposed review of the audit sponsor role.
- In relation to item 10, seventh bullet point, noted advice from the Interim Controller of Audit that he was discussing with the Commission Support Team how to develop the longer-term planning of the work programme and how this is presented to the Commission.
- In relation to item 10, eleventh bullet point, noted advice from the Interim Director of PABV that Audit Scotland colleagues had met with Sophie Flemig and Geraldine Wooley, as sponsors of work relating to early learning and childcare, about proposals for future work in this area, including the potential impact of recent policy developments and future study advisory group membership.
- In relation to item 10, twelfth bullet point, noted advice from the Interim Director of PABV that the updated work programme had been agreed by the previous Interim Chair and the Interim Deputy Chair at a joint meeting with the Auditor General on 16 December.
- In relation to item 10, final bullet point, noted advice from the Secretary that he would report to the Commission's March meeting on the outcome of the local government stakeholder consultation on the work programme.
- In relation to item 11, noted advice from the Secretary that responses to all of the consultation exercises listed had been shared with members.
- In relation to item 11, bullet 3, noted advice from the Interim Director of PABV that action had been taken to follow up with relevant Scottish Government officials and the Convention of Scottish Local Authorities (COSLA) on issues raised at the recent jointly hosted online event with the Improvement Service on the Commission's performance audit *Improving outcomes for young people through school education*.
- In relation to item 11, bullet 4, noted advice from the Interim Director of PABV that:
 - Consideration was being given to the issues raised with the Strategic Scrutiny Group by Bruce Adamson, Children and Young People's Commissioner, Scotland as part of Audit Scotland's ongoing work on developing approaches for involving citizens and service users in audit work.
 - In response to a specific query from Sophie Flemig, that he was monitoring the position in relation to Scotland's proposed adoption of the UN Convention on the Rights of the Child (UNCRC) and considering what implications it might have for future approaches to audit work.
- In relation to item 17, noted advice from the Interim Director of PABV that the social care briefing had been published on 27 January.

5. Audit Scotland Board update

The Commission considered a report by the Secretary providing an update on the business of the Audit Scotland Board.

Following discussion, the Commission noted the report.

6. Best Value Assurance Progress Report: Moray Council

The Commission considered a report by the Secretary presenting the Interim Controller

of Audit's Best Value Assurance Progress Report on Moray Council.

The Commission raised several questions and points of clarification from the Interim Controller of Audit and his team on his report in the following areas:

- Covid-19 pandemic related funding (Stephen Moore).
- Elected member relations and leadership (Sharon O'Connor).
- Culture of improvement (Geraldine Wooley).
- Implementation of the Improvement and Modernisation Programme (Andrew Burns).
- Implementation of the review of governance (Tim McKay).
- Educational attainment and poverty (Sophie Flemig).

Following discussion, the Commission agreed to consider in private how to proceed.

7. 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, members had been given the opportunity to provide queries on the Secretary's report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- In relation to paragraph 37, noted advice from Stephen Moore that he was disappointed that the terms of reference for the forthcoming public inquiry into the handling of Covid 19 in Scotland did not include reference to the impact on people with disabilities.
- In relation to paragraph 46, in response to a query from Stephen Moore, noted advice from the Interim Director of PABV that matters relating to the performance of child and adolescent mental health services would continue to be monitored and thought given as to how it features in the work programme.
- In relation to paragraph 57, noted advice from Stephen Moore that he will consider how the National Improvement Framework for Scottish Education could feature in the proposed work by the Commission on additional support needs, of which he is sponsor.

Following discussion, the Commission:

- Noted the progress of climate change work outlined in paragraph 14 of the report.
- Noted the proposed delay to the publication of the performance audit of Scotland's financial response to Covid-19, to be considered by the Performance Audit Committee at its February meeting.
- Noted the responses to consultations and inquiries highlighted in paragraph 17 of the report.
- Agreed the approach to various consultations as proposed in paragraph 38 of the report.

Action: Secretary and Interim Director of PABV

- Noted the report.

8. Scottish Budget briefing 2022/23

The Commission considered a briefing by the Interim Director of PABV on the Scottish Government's Budget for 2022/23, highlighting some of the key implications for local government finances.

During discussion, the Commission:

- Noted advice from the Interim Director, in response to a query from Christine Lester, that he would liaise with COSLA on what information is available from its discussions with the Scottish Government on the local government financial settlement.

Action: Interim Director of PABV

- Noted advice from the Secretary and Interim Director, in response to a query from Sharon O'Connor, that they would consider ways of further informing the Commission's position on ring-fenced funding, including for example at the Commission's Strategy Seminar.

Action: Secretary & Interim Director of PABV

- Noted advice from the Interim Director, in response to a query from Andrew Cowie, that the Auditor General was planning to publish a performance audit later in the year on the implementation of devolved social security powers.

- Agreed, following a query from Tim McKay, that the Interim Director provide further information on the breakdown funding of health and social care integration, including references in the Budget to the proposed National Care Service.

Action: Interim Director of PABV

Following discussion, the Commission noted the report.

9. Chair's update report

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

The Commission also noted advice from the Secretary that the Commission Chair was seeking views from members on how he undertakes such reporting in future.

10. Interim Controller of Audit update report

The Commission considered and noted a report by the Interim Controller of Audit providing an update on recent and upcoming activity.

The Commission also noted advice from the Interim Controller, in response to a query from Sophie Flemig, that members were welcome to discuss with him the detail of any of the meetings in his report, and in particular any third sector organisations which it might be useful for the Interim Controller to engage with, beyond those set out in his report.

11. Any other public business

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

The livestream of the meeting was stopped at this point.

12. Best Value Assurance Progress Report – follow-up: Moray Council (in private)

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

Following discussion, the Commission agreed to make findings to be published on 3 March.

13. Draft briefing: Scotland's economy: Supporting businesses through the Covid-19 pandemic (in private)

The Commission considered a report by the Interim Director of PABV proposing a draft briefing, in conjunction with the Auditor General, on *Supporting businesses through the Covid-19 pandemic*, and proposing the process for finalising, publishing and promoting the report.

Following discussion, the Commission:

- Approved the draft briefing, to be published on 17 March, subject to the drafting team considering, in conjunction with the sponsors Geraldine Wooley and William Moyes, points raised in discussion.
- Agreed the proposals for publishing and promoting the briefing.
- Agreed that proposals on future work on economic planning and recovery be considered as part of the future work programme updates.

Actions: Interim Director of PABV

14. Draft publication: Drug and alcohol services (in private)

The Commission considered a report by the Interim Director of PABV proposing a draft joint publication, in conjunction with the Auditor General, on drug and alcohol services, and proposing the process for finalising, publishing and promoting the report.

Following discussion, the Commission:

- Approved the draft briefing, to be published on 8 March, subject to the drafting team considering, in conjunction with the sponsors Christine Lester and Stephen Moore, points raised in discussion.
- Agreed the proposals for publishing and promoting the briefing.

Actions: Interim Director of PABV

15. * Draft report – Local Government Financial Overview 2020/21 (in private)

The Commission considered a report by the Interim Director of PABV proposing a draft report for the Local Government Financial Overview 2020/21, and the process for finalising, publishing and promoting the report.

During discussion, the Commission:

- Noted advice from the Interim Director that Andrew Burns had provided comments outwith the Commission meeting which he had addressed.

Following discussion, the Commission:

- Approved the draft Local Government Financial Overview 2020/21 report, to be published on 10 March, subject to the drafting team considering, in conjunction

with the sponsors William Moyes and Tim McKay, points raised in discussion.

- Agreed the proposals for publishing and promoting the report.

Actions: Interim Director of PABV

- Noted advice from the Chair that he would discuss with the Commission the future strategy for overview reporting.

Action: Secretary

16. * Emerging messages – Local Government Overview 2022 (in private)

The Commission considered a report by the Interim Director of PABV presenting the emerging messages for the Local Government Overview 2022 report.

During discussion, the Commission:

- Noted advice from the Interim Director that Andrew Burns had provided comments outwith the Commission meeting which he had addressed.
- Noted the consideration being given by the audit team and Commission Support Team to ensuring awareness of the report amongst newly elected councillors following the local government elections in May 2022.

Following discussion, the Commission agreed:

- To endorse the emerging messages, structure and tone of the report, subject to some revisions and other points to be addressed by the report team in conjunction with the report sponsors, William Moyes and Tim McKay.
- Agreed that a draft report be brought to the Commission meeting in April 2022 prior to publication in May 2022.
- That the proposed publication and promotion strategy be considered at its meeting in April 2022.

Action: Secretary

17. Best Value Working Group update (in private)

The Commission considered a report by the Secretary providing an update on the work of the Best Value Working Group (BVWG) and seeking agreement to the approach to identifying Best Value auditing work in councils and Integration Joint Board (IJBs) from 2022/23 as proposed by the Interim Director of PABV and Interim Controller of Audit.

Following discussion, the Commission:

- Noted the latest conclusions of the BVWG.
- Agreed the proposals set out by the Interim Director and Controller of Audit on the approach to identifying Best Value auditing work in councils and IJBs from 2022/23, including principles for report scheduling and a process for identifying Best Value themed work.

Action: Interim Director of PABV and Controller of Audit

- Noted the quality assurance processes in place in Audit Scotland in relation to Best Value auditing work.
- Noted that wider matters on quality assurance in relation to Best Value auditing and the integrated audit will be considered further by the BVWG

- Noted advice from the Secretary, following a point by Geraldine Wooley, that the Commission will be considering many outputs and proposals from the BVWG at future meetings.
- Noted further advice in this regard from the Secretary that such proposals will include format of Controller of Audit reports, and (in response to a point by Sophie Flemig) wider matters in relation to accessibility of reporting.

18. New audit appointments update (in private)

The Commission considered a report by the Associate Director, Audit Quality and Appointments, providing an update on the new audit appointments project and next steps with the work.

During discussion, in response to a query from Geraldine Wooley, the Commission noted advice from the Secretary that information on successful bidders was to be shared with Commission members.

Following discussion, the Commission noted the report and that it would consider further updates at its March and April meetings.

19. Strategic Scrutiny Group update (in private)

The Commission considered a report by the Secretary to the Strategic Scrutiny Group (SSG) providing an update on the recent work of the SSG.

During discussion, the Commission noted advice from the Secretary to the Strategic Scrutiny Group that the Commission Chair was meeting SSG members individually and collectively to discuss the purpose and strategic direction of the group.

Following discussion, the Commission noted the report.

20. Close of meeting

The meeting closed at 2.30pm.