

Minutes

Financial Audit and Assurance
Committee
Thursday 23 May 2024, 9.30am
Online via Microsoft Teams

ACCOUNTS COMMISSION 

Present:

Jo Armstrong (Chair)
Carol Evans
Mike Neilson
Derek Yule
Nichola Brown

Apologies:

Andy Cowie
Antony Clark, Executive Director of Performance Audit and Best Value (PABV)

In attendance:

Allan Campbell, Secretary to the Accounts Commission
Helena Gray, Controller of Audit
Angela Leitch, Accounts Commission member
John Boyd, Audit Director, Audit Services Group (ASG) (Item 4)
Joe Chapman, Policy Manager to the Accounts Commission
Rebecca Smallwood, Correspondence Manager, PABV
Andrew Burns, Deputy Chair, Accounts Commission

1. Apologies for absence

Andy Cowie sent apologies.

2. Declaration of connections or conflict

No connections or conflicts were declared.

3. Minutes of meeting of 22 February 2024

The minutes of the meeting of 22 February 2024 were noted, the Commission having previously approved them as a correct record and agreed the recommendations therein.

4. Current audit issues in councils

The Committee considered a report by the Controller of Audit providing a summary of emerging issues and recurring themes across local authorities in Scotland.

During discussion, the Committee discussed the following:

- Members agreed the new streamlined format for the report was beneficial and easy to digest.
- Helena discussed plans for the current audit issues in councils reporting. It was agreed the Controller will continue to collect information from audit teams and will report issues through her regular updates presented to the full Commission, reassuring members that intelligence won't be lost, just reported in a different way
- Helena advised members on the long-running issue of equal pay for several councils and provided reassurance that it is being closely monitored in audit work.
- Members were reassured by information about capacity and capability of finance teams but keen to monitor closely and would support a Controller of Audit blog on this issue in light of wider financial sustainability concerns and the oversight mechanisms in place.

Action – Controller of Audit

- Helena and John agreed to investigate gathering information about how any money generated from pension funds is being incorporated into council budgets and the extent to which that is being used to support longer term goals vs balancing budgets in the short term. John Boyd advised there is no current plan to specifically look at actions councils are taking but the wider issue of its impact on financial sustainability is on the radar.

Action – Controller of Audit & ASG Audit Director

- Helena confirmed she is working with audit teams to strengthen the AARR so that it provides an easily accessible oversight of audit risks across councils from a range of sources, including AARs, budget data gathering and current issues to inform future strategy seminar discussions on the work programme.
- Helena confirmed she is in regular contact with the auditor for Western Isles Council on both the AAR and the lessons learnt from the recent cyber-attack.

Following discussion, the Committee noted the report.

5. Intelligence report

The Committee considered a paper by the Secretary to the Accounts Commission.

During discussion:

- Members raised a query in relation to concerns outside of the Commission's remit or where the Commission can't act or respond. Rebecca Smallwood advised circumstances of ways in which concerns are outside of our remit – some may very clearly not be related to the Commission. Additionally, it was advised these concerns are signposted to the where they can get assistance.
- Helena explained how information is reported internally on a weekly basis to Audit Scotland's Leadership Group and how she acts on it in terms of how the intelligence is

reported and identification either of emerging themes or recurring issues with specific councils and then picked up with appointed auditors if required.

- Members agreed that the report doesn't necessarily need to be presented to committee or at full commission and could be presented by correspondence – the key is to ensure that issues raised are incorporated within broader intelligence and audit issues reporting.

Action – Commission support team

Following discussion, the Committee noted the report.

6. Any other business

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

7. Close of meeting

The meeting finished at 11:05 am.