

# Minutes and matters arising from previous meeting

Secretary to Accounts Commission

**Item 4**  
Meeting date: 7 November 2024

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## Purpose

1. This paper presents for the Commission's approval the draft minutes of the previous meeting of the Commission along with a summary of matters arising from those minutes.

## Recommendations

2. The Commission is asked to:
  - Approve the attached draft minute of its previous meeting.
  - Consider any matters arising from the draft minute.

## Minutes

3. The minute of the previous meeting is in Appendix 1.
4. Members should note that the action tracker – available to members via SharePoint and shared with them monthly – provides updates on progress from previous meetings.

# Minutes

Thursday 10 October 2024, 10.00am

Audit Scotland offices, 102 West Port, Edinburgh, and  
online via Microsoft Teams

513<sup>th</sup> meeting of the Accounts Commission

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## Present:

Jo Armstrong (Chair)  
Nichola Brown  
Andrew Burns  
Andrew Cowie (online)  
Carol Evans (online)  
Jennifer Henderson  
Angela Leitch  
Christine Lester  
Ruth MacLeod  
Mike Neilson  
Derek Yule

## In attendance:

Sarah Watters, Secretary to the Accounts Commission  
Helena Gray, Controller of Audit  
Joe Chapman, Policy Manager to Accounts Commission (item 6)  
Michael Oliphant, Audit Director, Audit Services Group (ASG) (items 5, 11 and 12)  
Christopher Gardner, Senior Audit Manager, ASG (items 5 and 11)  
Tarryn Wilson-Jones, Audit Manager, ASG (items 5 and 11)  
Alison Cumming, Executive Director of Performance Audit and Best Value (PABV) (item 9)  
David Sim, Auditor, ASG (item 12)  
Gemma Diamond, Director of Innovation and Transformation (item 13)  
Michelle Borland, Head of Organisational Improvement (item 13)  
Vicki Bibby, Chief Operating Officer (item 14)

## 1. Apologies for absence

Malcolm Bell sent apologies.

No other apologies for absence noted.

## 2. Declaration of connections

Andrew Burns declared a connection to items 5 and 11 as a former elected member and leader of the City of Edinburgh Council until 2017. It was agreed that, due to the passage of time, this did not preclude him participating in discussions.

No other connections were declared.

### 3. Order of business

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

Items 9 to 15, for the reasons stated on the agenda.

### 4. Minutes and matters arising from previous meetings

The Commission considered a report by Sarah Watters, Secretary to the Commission, presenting the minutes of the September meeting, including a summary of actions arising from the minutes. With no comments, the minutes were approved as a correct record.

### 5. Best Value in City of Edinburgh Council

The Commission considered the Controller of Audit's report on Best Value in City of Edinburgh Council. Following an introduction by Helena Gray, the discussion was structured according to the following themes:

- The council's budgets, including:
  - clarity of budget information
  - strategies for use of reserves
  - approach to addressing budget gaps
- Savings and transformation, including:
  - success/progress in achieving savings
  - strategic approach to savings and transformation
  - role of shared services and partnership working
- Borrowing, including:
  - risks associated with planned borrowing
  - proportion of capital plan to be funded by borrowing
- Strategic priorities, including:
  - progress towards net zero and poverty ambitions
  - joint working with partners
- Community engagement, including:
  - depth of engagement on budget decisions and impacts
  - challenges in ensuring broad representation
- Workforce, including:
  - covering all service areas in new workforce plan
  - people strategy and need for better use of data
  - sickness absence trends and monitoring
- Other areas, including:
  - relationship with the Integration Joint Board
  - management of cyber and health & safety risks
  - potential revenue raising through e.g. Visitor Levy

Following discussion, the Commission agreed to decide in private how it wishes to respond to the report.

## 6. Local Government policy update report

The Commission considered a report by Joe Chapman, Policy Manager, providing an update on significant recent activity relating to local government.

During discussion,

- Regarding the call for views on City Region and Regional Growth Deals, Joe advised that Audit Scotland colleagues had recommended not submitting a response, as the audit team have already been in contact with the Committee on the same issues, which are also reflected in previous reports by the Commission and Auditor General.
- Derek Yule suggested the winners and finalists of the COSLA Excellence Awards could be used as examples of good practice in the relevant service areas and in relation to transformation. Joe agreed that it was a useful source of information, and the examples highlighted could be looked into by audit teams and communications colleagues.
- Carol Evans inquired about which bodies are covered by the Finance and Public Administration Committee's inquiry into the 'Commissioner landscape'. Joe explained this covered the officeholders governed by the Scottish Parliamentary Corporate Body, and not the Accounts Commission, and agreed to provide the list of bodies.

### Action: Policy Manager

- Christine Lester highlighted, to members and the support team, the Joseph Rowntree Foundation's recent 'Poverty in Scotland' report.

Following discussion, the Commission noted the report.

## 7. Chair's update report

The Commission considered an update by Jo Armstrong on recent and upcoming activity.

During discussion,

- The Chair provided an update on the meeting with the Cabinet Secretary for Finance and Local Government, Shona Robison, and confirmed Ms Robison is due to attend a Members' Forum on the day of the Accounts Commission's March 2025 meeting.

Following discussion, the Commission noted the update.

## 8. Any other public business

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

## 9. Strategic Alliance with the Improvement Service: annual review

The Commission considered a report by the Secretary on Strategic Alliance with the Improvement Service: annual review.

During discussion:

- Sarah Watters introduced the report, flagging the perceived risk of conflicts of interest and options for a repositioning based on advice from the Ethics Partner. It was agreed there was merit to this, and it was decided that a more operational agreement between IS and Audit Scotland could mitigate this risk.
- Alison Cumming, Executive Director of PABV, provided reassurance that due to the operational nature of the majority of work with IS, it would be ‘business as usual’ following the proposed repositioning and agreed work with the Improvement Service is very useful e.g. around data they can bring.

Following discussion, the Commission agreed to the recommendations in the paper.

## 10. Controller of Audit’s update report

The Commission considered a written and verbal update by Helena Gray, Controller of Audit, on recent and upcoming activity.

During discussion:

- Helena provided an update from her recent attendance at the Solace and COSLA conferences and reflected on how some of the Commission’s messaging has been landing with external stakeholders. It was advised this would be reflected in the stakeholder engagement plan for the Chair and Deputy Chair that is currently being developed.
- Helena confirmed she has been meeting with members of the Scrutiny Coordination Group and once these meetings have concluded she will meet those leading the IS/Solace transformation work and then discuss next steps with the Commission Chair. Helena clarified the wording in paragraph 6, confirming the Commission’s role in coordination of scrutiny is a Ministerial direction rather than a statutory duty.
- On audit delivery, Helena advised that half of Local Government bodies have signed off their 23/24 audit reports, representing a 50% increase on the number of audits signed off by the same time last year. Helena also discussed the outstanding 22/23 audits at West Dunbartonshire and East Dunbartonshire councils, advising members that AQA and Vicki Bibby are working closely with the audit provider and will update the Commission on progress, including the sign-off of 23/24 audits.
- Helena gave an update on her meeting with the Chief Executive of Clackmannanshire Council following the publication of the Best Value report. She also advised that she intends to take stock of the Best Value approach, alongside PABV colleagues, for discussion at the March Strategy Seminar.
- Helena confirmed the Statutory report on Aberdeen City Council will be presented in December and the Best Value report on Renfrewshire Council will be presented in Spring 2025. Helena confirmed Renfrewshire Council’s Annual Audit was due to be signed off and would be circulated to members once received.

### **Action – Controller of Audit**

Following discussion, the Commission noted the update and agreed to the reporting schedule for Year 3 of Best Value programme as set out in paragraphs 12-14 in the report.

## 11. Best Value in City of Edinburgh Council

The Commission considered its response to a report by the Controller of Audit on Best Value in City of Edinburgh Council.

Following discussion, the Commission agreed to make findings to be published on 24 October 2024; the drafting of those findings would be delegated to the Chair and the Secretary on behalf of the Commission and would then be circulated to all members for comment, with responsibility for final sign-off resting with the Chair.

In discussing what the findings should include, the following general points were raised:

- The Commission welcomed progress since the last BVAR in 2020, urging pace to complete the remaining actions around community engagement, in service improvement and delivery and to implement the Edinburgh Partnership's new governance arrangements and progress reporting.
- Members highlighted the fine balance of political power within the Council, emphasising a collaborative political leadership will be critical to take difficult decisions on how to transform services to ensure financially sustainable.
- Members acknowledged the council's ambitious plans to end poverty and become a net zero city by 2030 but noted that there is still much to do in relation to the targets set and the associated project costs must be established urgently.
- Members highlighted the scale of the of the financial challenge, and the need for the council to accelerate its transformation and change programme. Members agreed the council has a good track record of delivering savings, but there has been a reliance on those that are non-recurring, and options for further such savings are limited.
- The Commission noted the council's plans to significantly increase borrowing to realise its capital plan and the associated risks to future financial sustainability. The Commission agreed this was an area that would need to be monitored in terms of affordability and impacts on wider service provision.
- The Commission highlighted the council's opportunities to raise additional income, including a visitor levy. Members agreed the Commission would monitor progress to maximise these opportunities but agreed it shouldn't use these potential benefits to delay difficult short-term decisions.
- Agreed the Council has an opportunity with its new people strategy, workforce plan and HR/payroll system to ensure it has the correct resources where they are needed, highlighting the importance for key areas such as housing, waste and the relationship with the IJB.
- Members advised the council's engagement with staff, partners, and communities in shaping transformation and change will be vital, along with clear and transparent communications and embedding community engagement across service redesign, utilising a wider range of demographics than those who have previously engaged.

## 12. Housing benefit performance audit: draft report

The Commission considered a draft of the report on Housing Benefit performance audit.

During discussion, the Commission highlighted:

- The audit team and sponsors confirmed the report is a niche product, which is a responsibility given to the Commission by the UK Department for Work and Pensions. It has a specific target audience focused on councils, and previous reports on Housing Benefit have been well-received by them.
- Members raised concerns over the accessibility of the report and agreed further work was required to ensure that impact is maximised. The audit team confirmed that they will work with sponsors and Communications colleagues to produce a shorter version of the report, focused on key messages, with the exhibits made available separately via the website.
- There was a discussion about the messaging in the report regarding the recovery of housing benefit debt, including trends in councils' performance in this area and the extent to which debt recovery should be actively pursued. The audit team agreed to consider this aspect of the report based on feedback from members.

Following discussion, the Commission decided not to publish the report in its current form and agreed it would come back to the Commission at a future date.

### **13. Diversity, Equality and Inclusion strategy: consultation**

The Commission considered a report by the Director of Innovation and Transformation on the Diversity, Equality and Inclusion strategy.

During discussion,

- Members praised the level of detail in the report and expressed support for the proposed equality outcomes, including the split between organisation-related and audit-related activities, and the degree to which the outcomes are specific. There were discussions about how to effectively measure progress towards the audit-related outcomes, and considerations in adopting a human rights-based approach to audit.
- There was a discussion about whether targets regarding staff retention relate to specific groups, based on protected characteristics, or staff in general. Michelle Borland, Head of Organisational Improvement, explained that there is a legislative requirement to report by these groups, but numbers can be very small, and employees are not obliged to provide all information or reasons for leaving.
- Jennifer Henderson asked about whether reporting requirements apply to the Commission, and also offered to provide advice on increasing the diversity of people recruited, based on her experience elsewhere. Michelle explained that the Scottish Government has a duty to collect data on the constitution of public body boards.
- Michelle clarified Audit Scotland's statutory obligation to report every 2 years against the Public Sector Equality Duty, but that it will report to the Commission annually. Regarding audited bodies, Gemma Diamond explained the proposed audit requirement is to report at least once in each five-year audit appointment, to ensure alignment but avoid duplication with the regulator.

Following discussion, the Commission noted the report and agreed that its discussion represented its response to the consultation.

#### **14. Chief Operating Officer update**

The Commission heard an update from Vicki Bibby, Chief Operating Officer.

During discussion,

- Vicki advised members that Colin Crosby is the new Chair of the Audit Scotland Board following Alan Alexander's retirement. Additionally, it was confirmed that recruitment for a new non-executive director was underway, and that the Board will be participating in the Board apprentice scheme.
- It was confirmed the Partnership Working Framework (PWF) will be formally reviewed every three years, but the outcome of an annual discussion on effectiveness (as outlined in the PWF) will be presented to the Commission in January.
- An update on audit delivery was provided and confirmation that audit delivery recovery was on track for the current period. COO advised the 2022/23 West Dunbartonshire Council and East Dunbartonshire Council audits are planned to be signed later in October and November respectively.
- Vicki confirmed that the Commission's budget sub-group would hold a discussion on the Audit Scotland and Accounts Commission budget for 2025/26 following today's meeting, and the proposed Commission budget will be presented at its November meeting. Vicki advised there are risks, including the upcoming UK Budget, but reassured members that some potential risks had been mitigated, such as a two year pay deal agreed for staff.
- Vicki confirmed that information on 2024/25 local government audits fees will be provided to the Commission shortly for information, and fees will be decided by Audit Scotland Board.

Following discussion, the Commission noted the update.

#### **15. Any other private business**

Jo Armstrong provided a private update to members following her meeting with Ellen Leaver, Interim Director of Local Government around objective setting for the Chair and other Commission members. Jo thanked Commission members for their feedback on her objectives and confirmed that Member appraisal meetings, to discuss their objectives for the coming period and development would be scheduled in the coming months, ideally face to face.

#### **Close of meeting**

The meeting closed at 14.30.