

MEETING: 12 NOVEMBER 2020

MINUTES OF PREVIOUS MEETING

Minutes of the 472nd meeting of the
Accounts Commission held via online meeting
on Thursday 8 and 22 October 2020, at 9.30am.

PRESENT: Elma Murray (Chair)
Andrew Burns
Andrew Cowie
Sophie Flemig
Sheila Gunn
Christine Lester
Tim McKay
Stephen Moore
Sharon O'Connor
Pauline Weetman
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission (24 September only)
Fraser McKinlay, Controller of Audit and Director of Performance Audit
and Best Value (PABV)
Elaine Boyd, Associate Director, Audit Quality and Appointments
(AQA) (Item 15)
John Gilchrist, Manager, AQA (Item 15)
Mark Johnstone, Senior Auditor, Audit Services (Items 6 and 10)
Anne MacDonald, Senior Audit Manager, Audit Services (Items 6 and
10)
Paul O'Brien, Senior Manager (Technical), PABV (Item 12)
Garry Quigley, Audit Officer, PABV (Items 6 and 10)
Dharshi Santhakumaran, Audit Manager, PABV (Items 6 and 10)
Owen Smith, Senior Manager, AQA (Item 15)
Gillian Woolman, Audit Director, Audit Services (Items 6, 10 and 11)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 10 and 24 September 2020
5. Audit Scotland Board update
6. Best Value Assurance Report: Aberdeenshire Council
7. Secretary's update report
8. Interim Chair's update report
9. Controller of Audit's update report
10. Best Value Assurance Report: Aberdeenshire Council (in private)
11. Interim report on mainstreaming equality (in private)
12. * Audit planning guidance 2020/21 (in private)
13. Ethical Standards Commissioner consultation – Code of Practice for Ministerial
Appointments to Public Bodies in Scotland (in private)
14. * Best Value Working Group update (in private)
15. Audit appointment extension confirmation (in private)
16. * New audit appointments update (in private)
17. Any other business

* These items were considered on 22 October.

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:

- Andrew Cowie, in items 6 and 10, as a former Chief Officer of Police Scotland.
- Christine Lester, in items 6 and 10, as a former Vice Chair of NHS Grampian Board and member of [to be confirmed by Christine].

3. Order of business

It was agreed that items 10 to 17 be considered in private because:

- Item 10 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.
- Item 11 requires the Commission to discuss confidential staffing matters.
- Item 12 requires the Commission to discuss confidential policy matters.
- Item 13 proposes a draft response to a consultation exercise which the Commission is to consider before publishing.
- Item 14 requires the Commission to discuss confidential policy matters.
- Items 15 and 16 require the Commission to consider confidential commercial and contractual matters.
- Item 17 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Interim Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

4. Minutes of meeting of 10 and 24 September 2020

The minutes of the meeting of 10 and 24 September 2020 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 8, noted advice from the Chair that the Deputy Chair has now commenced the review of the Commission's committees.
- In relation to item 9, noted advice from the Chair that the Commission Insight programme was ongoing, which included engaging with stakeholders on risks arising from the Covid-19 pandemic.

5. Audit Scotland Board update

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

The Commission agreed to note the report.

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

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

Audit's Best Value Assurance Report for Aberdeenshire Council.

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

- Vision and high-level objectives
- Performance information and reporting, including the use of Local Government Benchmarking Framework information
- Elected member development
- Financial planning
- Property estate strategy and capital investment
- Local outcome improvement plans
- Decarbonisation plans
- Workforce planning
- Children's services
- Sustainability of the Integration Joint Board
- Community engagement
- Economic strategy, including Opportunity North East (ONE), the Aberdeen City Region Deal, and the role of the private sector.

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 he had responded to members' queries on the following, details of which were available on the Member SharePoint:

- Infrastructure labour markets (paragraph 28) (raised by Geraldine Wooley)
- Covid-19 contact tracing (paragraph 32) (Geraldine Wooley)

Thereafter, the Commission agreed to note the report.

8. 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

9. Controller of Audit's update report

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

The Commission agreed to note the report.

10. Best Value Assurance Report: Aberdeenshire Council – Commission decision (in private)

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

Following discussion, the Commission agreed to make findings, to be published on 22 October.

11. Interim report on mainstreaming equality (in private)

The Commission considered a report by the Chair of Audit Scotland's Equalities and Human Rights Steering Group (EHRSG) presenting the Interim Mainstreaming Equality and Equality Outcomes report.

During discussion, the Commission:

- Noted advice from the EHRSG Chair on additional equality impact assessment work which had taken place since the drafting of the report, in relation to Audit Scotland graduate recruitment and Audit Scotland staff working from home as part of the measures in place in response to the Covid-19 pandemic.
- Noted advice from the EHRSG Chair on the reporting of equalities in the annual audit as part of the auditing of Best Value.
- Noted advice from the Commission Chair that she was anticipating the Commission's forthcoming involvement in the development of new equalities and human rights outcomes.

Action: Secretary and Chair of EHRSG

- Noted advice from the EHRSG Chair, in response to a query from Stephen Moore, on the proposed next steps for youth engagement, further proposals on which would be considered at a future meeting.

Action: Secretary and Chair of EHRSG

- Noted the Commission's continuing interest on the equalities implications of Covid-19 related matters such as the impact of recovery plans and flexible working approaches, both for Commission members and Audit Scotland staff.

Thereafter, the Commission agreed:

- To note the report.
- To note that the EHRSG will engage further with the Commission in relation to the scheduled progress report in April 2021.

12. * Audit planning guidance 2020/21 (in private)

The Commission considered a report by the Secretary introducing the consultative draft of audit planning guidance for 2020/21 audits.

Following discussion, the Commission:

- Noted that the guidance was joint guidance on behalf of the Commission and the Auditor General, applying to their respective appointed auditors.
- Endorsed the consultative draft of the guidance as a basis for consultation with stakeholders.

- Agreed the next steps in the process as set out in the report, thus:
 - Consultation with stakeholders, most notably appointed auditors (both Audit Scotland and appointed audit firms)
 - Delegation to the Chair a final sign-off of the guidance, although if the consultation requires significant change to the Commission's requirements, this would be discussed further by the Commission
 - Following sign-off by the Commission and the Auditor General, the planning guidance would be issued forthwith.

Action: Secretary and Audit Scotland Professional Support team

13. Ethical Standards Commissioner consultation – Code of Practice for Ministerial Appointments to Public Bodies in Scotland (in private)

The Commission considered a report by the Secretary proposing the Commission's response to a consultation by the Ethical Standards Commissioner concerning revisions to the Code of Practice for Ministerial Appointments to Public Bodies in Scotland.

Following discussion, the Commission approved the proposed response, subject to minor revisions agreed during the discussion.

Action: Secretary

14. * Best Value Working Group update

The Commission considered a report by the Secretary providing an update on the work of the Best Value Working Group.

During discussion, the Commission:

- Noted advice from the Chair that the Commission will be considering at its next meeting a stakeholder engagement plan to take forward further considerations of Best Value aspects of the proposed new Code of Audit Practice, and other related matters.
- Further in this regard, noted advice from the Chair that some stakeholder engagement was already taking place.
- Noted advice from the Chair, in response to queries from various members, that the Group would ensure that it reflects on the concern of the Commission of the importance of robust and effective auditing and reporting of the performance of health and social care integration joint boards against their duty of Best Value.

Following discussion, the Commission noted the report and the latest conclusions of the Best Value Working Group.

15. Audit appointment extension confirmation (in private)

The Commission considered a report by the Associate Director of Audit Quality and Appointments (AQA) seeking confirmation of the extension of audit appointments.

Following discussion, the Commission approved the extension of current audit appointments to include the 2021/22 audit year.

Action: Associate Director (AQA)

16. * New audit appointments update (in private)

The Commission considered a report by the Interim Chair providing an update on progress made with new audit appointments.

During discussion, the Commission:

- Noted advice from the Chair, in response to a query from Sheila Gunn, that she would work with the Commission Secretary and the New Audit Appointments Steering Group to ensure effective Commission oversight of and input into the process as it moves forward.

Action: Chair

- Noted advice from Pauline Weetman that she was grateful to the Chair for ensuring more transparency in the new audit appointments process.
- Agreed to hold a member workshop on the principles associated with the audit appointments procurement strategy.

Action: Chair and Secretary

- Agreed further in this regard that, in advance of the workshop, the Secretary report on the Commission's legal obligations in relation to the procurement of audit services.

Action: Secretary

Following discussion, the Commission noted the report.

17. Any other business

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

Close of meeting

The meeting closed at 12.40pm on 8 October and at 10.30am on 22 October.