

MEETING: 10 DECEMBER 2020

MINUTES OF PREVIOUS MEETING

Minutes of the 473rd meeting of the
Accounts Commission held via online meeting
on Thursday 12 November 2020, at 9.30am.

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

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit
and Best Value (PABV)
Nick Bennett, Regional Managing Partner, Azets (Items 5 and 9)
Carole Grant, Senior Audit Manager, Audit Services (Item 10)
Ffion Heledd, Audit Manager, PABV (Items 5 and 9)
Fiona Kordiak, Director Audit Services (Item 10)
Mark MacPherson, Senior Manager, PABV (Items 5 and 9)
Gill Miller, Audit Manager, PABV (Items 5 and 9)
David Sim, Benefits Performance Auditor, Audit Services (Item 10)
Matthew Swann, Associate Director, Azets (Items 5 and 9)
Nichola Williams, Senior Auditor, PABV (Items 5 and 9)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 8 and 22 October 2020
5. Best Value Assurance Report: The City of Edinburgh Council
6. Secretary's update report
7. Interim Chair's update report
8. Controller of Audit's update report
9. Best Value Assurance Report: The City of Edinburgh Council (in private)
10. Housing benefit performance audit annual review (in private)
11. Best Value Working Group update (in private)
12. Code of Audit Practice engagement plan (in private)
13. Any other business

1. Apologies for absence

It was noted that apologies for absence had been received from Pauline Weetman.

2. Declarations of interest

The following declarations of interest were made:

- Andrew Burns, in items 5 and 9, as a former Leader of The City of Edinburgh Council. Mr Burns removed himself from the meeting during consideration of these items.
- Tim McKay, in items 5 and 9, as a former member of The City of Edinburgh Council. Mr McKay removed himself from the meeting during consideration of these items.
- Sophie Flemig, in items 5 and 9, as a resident and council tax payer in the City of Edinburgh.
- Geraldine Wooley, in items 5 and 9, as a council tax payer in the City of Edinburgh.

3. Order of business

It was agreed that items 9 to 13 be considered in private because:

- Item 9 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 10 proposes a draft audit report which the Commission is to consider in private before publishing.
- Item 11 requires the Commission to discuss confidential policy matters.
- Item 12 requires the Commission to consider confidential policy and business matters.
- Item 13 may be required if there are any confidential matters that require to be discussed outwith the public domain.

The Interim Chair advised that there was no business for item 13.

4. Minutes of meeting of 8 and 22 October 2020

The minutes of the meeting of 8 and 22 October 2020 were approved as a correct record, subject to inserting in Item 2, second bullet point, for Christine Lester, “(a member of) North East Partnership Steering Group”.

Arising therefrom, the Commission:

- In relation to item 12:
 - noted advice from the Secretary that the consultation on the 2020/21 planning guidance did not result in any significant changes being required to the draft guidance, and thus the Chair had signed off the guidance which had been issued to appointed auditors, a copy of which was available on the Members’ SharePoint site.
 - noted advice from the Chair that she had engaged with appointed local

government auditors at a meeting on 4 November, in which she presented the Commission's requirements in the planning guidance and its ambitions on auditing Best Value.

- noted further advice from the Chair that she would speak alongside the Auditor General at a launch event for the planning guidance involving all appointed auditors on 18 November.
- In relation to item 13, noted advice from the Secretary that the Commission had submitted a response to the Ethical Standards Commissioner's consultation on Code of Practice for Ministerial Appointments to Public Bodies in Scotland, and this was available on the Members' SharePoint site alongside that of the Auditor General.
- In relation to item 16, noted advice from the Chair that:
 - On the first bullet point, she would be reporting regularly to the Commission on New Audit Appointments Steering Group business, including seeking approval of business as appropriate.
 - On the third and fourth bullet points, she would work with the Secretary on identifying a suitable date for a workshop on the principles associated with the audit appointments procurement strategy, including the Commission's legal obligations in this regard.

Action: Chair and Secretary

5. Best Value Assurance Report: The City of Edinburgh Council – Controller of Audit report

The Commission considered a report by the Secretary presenting the Controller of Audit's Best Value Assurance Report for The City of Edinburgh Council.

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

- Pace and momentum of improvement
- Council response to external scrutiny reports
- Political and officer leadership in improvement and scrutiny response
- Community engagement and empowerment
- Partnership working and community planning
- Performance reporting
- Housing and homelessness
- Workforce planning and capacity
- City Region Deal, economic inclusion and poverty
- Strategic direction and vision
- Financial sustainability (including the health and social care integration board)
- Covid-19 and impact (including on arm's length external organisations).

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

6. 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 a member's query on paragraph 14 of the report (namely further details on a package of financial flexibilities and extra funding for councils worth up to £750 million agreed by the Scottish Government and COSLA), details of which were available on the Member SharePoint.

Thereafter, the Commission agreed:

- To note the report.
- To note that it will consider its response at a future meeting to the Scottish Government consultation on the Councillor's Code of Conduct.
- That it does not respond to the Scottish Government consultation about the designation of IJBs as category 1 responders under Schedule 2 of the Civil Contingencies Act 2004.
- That it does not respond to the Scottish Government consultation on the proposed launch of a new scheme providing free bus travel for young people resident in Scotland under the age of 19.
- To note that the Chair will agree a response to the Scottish Government consultation on the guidance and toolkit for completing an Island Communities Impact Assessment. and share with members for their information.
- To note that the Secretary will report to a future meeting on a response to the Scottish Government consultation on delivering a refreshed digital strategy for Scotland.
- That it does not respond to the Scottish Government consultation on the Fair Rents (Scotland) Bill.
- That it does not respond to the UK Ministry of Housing, Communities and Local Government consultation on proposals for reforming exit payment terms for local government workers.

Actions: Secretary

7. 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

8. 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.

9. Best Value Assurance Report: The City of Edinburgh Council – Commission decision (in private)

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

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

26 November.

10. Housing benefit performance audit annual review (in private)

The Commission considered a report by the Director of Audit Services presenting for approval the draft Housing benefits performance audit annual review report.

During discussion, the Commission noted advice from the Secretary that it had agreed at its March meeting to publish its thematic report *Housing Benefits Overpayments in Scotland*, but subsequently agreed to suspend publication due to the Covid-19 pandemic.

Following discussion, the Commission agreed:

- To approve the publication of the *Housing Benefits Overpayments in Scotland* thematic study report (subject to bringing more clarity to paragraph 1 of the report) but only on the basis of sharing with councils as an improvement resource.

Action: Secretary

- To approve the proposal for a thematic study on the impact of Covid-19 on Scottish councils' benefit services.

Action: Director of Audit Services

- That two sponsors be identified for this work, to be agreed between the Chair and appropriate members.

Action: Interim Chair and Secretary

- To agree that the Interim Chair write to council leaders and chief executives promoting the annual update report and previous thematic report.

Action: Interim Chair and Secretary

11. 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.

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

12. Code of Audit Practice engagement plan

The Commission considered a report by the Secretary proposing a stakeholder engagement plan in relation to Best Value matters, the Code of Audit Practice and the Commission's strategy.

During discussion, the Commission noted advice from the Chair that she was seeking involvement from members in engagement events set out in the plan.

Following discussion, the Commission endorsed the proposed stakeholder engagement plan.

13. 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 12.35pm.