

MEETING: 9 DECEMBER 2021

MINUTES OF PREVIOUS MEETING

Minutes of the 484th meeting of the Accounts Commission held via online meeting on Thursday 11 November 2021, at 9.30am.

PRESENT: Elma Murray (Interim Chair)
 Andrew Burns
 Andrew Cowie
 Sophie Flemig
 Sheila Gunn
 Tim McKay
 Stephen Moore
 Sharon O'Connor
 Pauline Weetman (items 1 to 10 only)
 Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
 Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)
 Anne Cairns, Manager, PABV (Item 13)
 Angela Canning, Audit Director, PABV (Item 13)
 Simon Ebbett, Head of Communications and Public Affairs (Item 5 and 12)
 Carole Grant, Audit Director, Audit Services (Item 6)
 Fiona Kordiak, Director, Audit Services (Item 13)
 Tricia Meldrum, Senior Manager, PABV (Item 11)
 David Robertson, Digital Services Manager (Item 15)
 David Sim, Benefit Performance Auditor, Audit Services (Item 6)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 7 October 2021
5. Draft Communications and Engagement Strategy
6. Housing benefit performance audit annual review
7. Secretary's update report
8. Interim Chair's update report
9. Interim Controller of Audit update report
10. Any other business
11. Consultation: The replacement of the Scottish Qualifications Agency and the reform of Education Scotland – draft response (in private)
12. Audit Scotland website: e-hubs (in private)
13. The National Fraud Initiative (in private)
14. Best Value Working Group update (in private)
15. Digital update (in private)
16. Any other private business (in private)

1. Apologies for absence

It was noted that apologies for absence had been received from Christine Lester.

2. Declarations of interest

The following declarations of interest were made:

- Sophie Flemig, in item 11, as an employee of Cattnach.
- Elma Murray, in item 11, as a member (in her capacity as Chair of Young Scot and Deputy Chair of the Developing the Young Workforce Employers Forum) of the Reform of Scottish Qualifications Authority and Education Scotland Practitioner and Stakeholder Advisory Group. Ms Murray removed herself from the meeting during consideration of this item (Tim McKay, Deputy Chair, assumed the chair for the item).

3. Order of business

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

- Item 5, as it may have required the Commission to consider confidential policy matters.
- Item 8 (third bullet point of paragraph 4 only), as it may have required the Commission to consider confidential policy matters.
- Item 11, as it proposed a response to a consultation exercise which the Commission is to consider before publishing.
- Item 12, as it may have required the Commission to consider confidential policy matters.
- Item 13, as it may have required the Commission to consider confidential policy matters.
- Item 14, as it may have required the Commission to consider confidential commercial and contractual matters.
- Item 15, as it may have required the Commission to consider confidential policy matters.

The Interim Chair advised that there was no business for item 16.

4. Minutes of meeting of 7 October 2021

The minutes of the meeting of 7 October 2021 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 7 (second bullet point), noted advice from the Interim Controller of Audit that he would be discussing with the Commission Secretary how to assess progress by councils against the 2021 Statutory Performance Information Direction as part of consideration of the dynamic work programme
- In relation to item 7 (third bullet point), noted advice from the Secretary that he would share with members a paper providing an update on the progress of the

first six months of the Commission's Strategic Alliance with the Improvement Service.

- In relation to item 8 (first bullet point), noted advice from the Secretary that he had provided members with the response by Audit Scotland to the consultation by CIPFA on proposed revisions to the Prudential and Treasury Management Codes
- In relation to item 8 (third bullet point), noted advice from the Secretary that he was grateful to members who contributed to the following consultations, both of which had been submitted and shared with members:
 - Scottish Government: its overarching approach to Scotland's first tax framework (response by Audit Scotland on behalf of the Commission)
 - Scottish Government: its review of the National Strategy for Community Justice (response by Audit Scotland on behalf of the Commission).
- In relation to item 13, noted advice from the Interim Director of PABV that a joint response to Scottish Government consultation on a new National Care Service for Scotland had been submitted by the Accounts Commission, Auditor General for Scotland, and Audit Scotland.
- In relation to item 15 (second bullet point), noted advice from the Secretary that this matter was covered in the paper for item 14 of the meeting.
- In relation to item 16 (second bullet point), noted advice from the Secretary that preparations were ongoing for a proposed 'hybrid' meeting of the Commission in January 2022, involving a combination of virtual and online participants.

5. Draft Communications and Engagement Strategy (in private)

This item was discussed in the private session of the meeting (after item 10).

The Commission considered a report by the Head of Communications and Public Affairs providing a draft Accounts Commission communications and engagement strategy for 2021 to 2026.

During discussion, the Commission:

- Noted, in relation to a point raised by Sharon O'Connor, the importance of placing priority on communicating effectively with stakeholders in the Scottish Parliament about the Commission's role and work.

Following discussion, the Commission:

- Agreed that a further draft of the Strategy be provided for further consideration, reflecting the points raised in discussion.

Action: Head of Communications and Public Affairs and Secretary

6. Housing benefit performance audit annual review

The Commission considered a report by the Audit Director, Audit Services providing an update on the outcome of the housing benefit performance audit work for 2020/21 and to seek approval for the proposed 2021/22 work programme and a way forward for the Commission's work in this regard.

During discussion, the Commission:

- Noted advice from Carole Grant, in response to a query from Pauline Weetman on data quality and availability, on the potential scope for a future thematic review on resourcing.
- Noted advice from David Sim, in response to a query from Elma Murray on corporate debt, on the reporting to councils of thematic and related work in this regard as part of the overall programme.

Following discussion, the Commission:

- Agreed to publish an annual update report blog on the Commission website.
- Agreed the proposed housing benefit performance audit work programme.
- Agreed a thematic study on resourcing of the benefit service.
- Noted continuing work on how to reflect the Commission and Auditor General's shared interest in reporting on poverty and inequalities in the context of social security and benefits.
- Noted further in this regard advice from Carole Grant that she would keep the Commission updated on developments.

Actions: Audit Director, Audit Services

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:

- Noted, in relation to paragraph 7 of the report, advice from Sharon O'Connor on the meeting on 3 November with the Scottish Parliament's Education, Children and Young People Committee at which, alongside the Auditor General, she gave evidence on the *Improving outcomes for young people through school education* performance audit as part of the Committee's pre-budget scrutiny.
- Agreed, in relation to paragraph 24, to respond to the Scottish Government consultation on the next Fire and Rescue Framework for Scotland.

Action: Secretary and Interim Director of PABV

- Agreed, in relation to a point by Stephen Moore in relation to paragraphs 15 and 85, that the response by the Auditor General to the letter from the Parliament's Public Audit Committee, advising of its concern about limited progress having been made in terms of children and young people's mental health, be shared with the Commission.

Action: Secretary

Following discussion, the Commission:

- Agreed not to respond to the consultations highlighted at paragraphs 28, 75 and 79 of the report.
- Noted the report.

8. Interim Chair's update report (considered partly in private)

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

NB The matter in paragraph 4 (third bullet point) was considered in private.

During discussion, the Commission:

- In relation to paragraph 2 (fourth bullet point), noted advice from the Interim Chair to Geraldine Wooley in response to her query about audit work and inequalities.
- In relation to paragraph 4 (third bullet point), it was agreed that emerging messages for the Local Government Overview report be considered at a separate meeting of Commission members taking account of time constraints.

Action: Secretary and Interim Director of PABV

Following discussion, the Commission noted the report.

9. 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.

10. Any other business

The Interim Chair advised that this meeting would be the last meeting of the Commission for Pauline Weetman. She, along with the Deputy Chair, Sheila Gunn and Sophie Flemig, conveyed the best wishes of the Commission to Pauline, and thanked her for her contribution to the Commission's work over her eight-year term of office. In turn, Pauline thanked the members of the Commission for working with her, and also the staff of Audit Scotland for their support to her and the Commission during her term of office

The Interim 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.

Remembrance Day

At the start of the private session, members undertook two minutes silence to mark Remembrance Day.

11. Consultation: the replacement of the Scottish Qualifications Agency and the reform of Education Scotland – draft response (in private)

Tim McKay, Deputy Chair, assumed the chair for this item.

The Commission considered a report by the Interim Director of PABV proposing a response, made jointly with the Auditor General, to the consultation by Professor Ken Muir on the replacement of the Scottish Qualifications Authority (SQA) and the reform of Education Scotland.

Following discussion, the Commission:

- Agreed the terms of the draft response, subject to the response reflecting points agreed in the discussion.
- Agreed to delegate authority to the Interim Deputy Chair to sign off the final response with the Auditor General.

Actions: Interim Director of PABV

12. Audit Scotland website: e-hubs (in private)

The Commission considered a report by the Interim Director of PABV providing an overview of the approach to e-hubs on Audit Scotland's website.

During discussion, the Commission:

- Noted the potential of developing e-hubs in other subject areas which reflect the Commission's priorities, such as inequalities and community empowerment.
- Noted advice from the Interim Director and Controller of Audit, in response to a query from the Commission Secretary, on the process that he follows when in identifying and reporting good practice in Best Value Assurance Reports.
- Noted advice from the Interim Director, in response to a query from the Commission Secretary, on the arrangements that exist for Commission sponsors to work with audit teams in identifying good practice in performance audit and related work.
- Noted advice from the Head of Communications and Public Affairs, in response to a query from Paul Reilly, that he would be developing an approach to gauging impact and use of the e-hubs, upon which he would report further.

Following discussion, the Commission noted the report and agreed that further updates be provided as appropriate.

13. The National Fraud Initiative

The Commission considered a report by the Director of Audit Services seeking views on some possible extensions to Audit Scotland's data matching powers with respect to the National Fraud Initiative (NFI).

During discussion, the Commission:

- Noted the interest shown by the Scottish Parliament's Public Audit Committee in the matter.
- Noted that any proposals in this regard would be the subject of further formal consultation, and thus further opportunity to set out its position.
- Noted advice from the Director, in response to a query from Geraldine Wooley, about the Public Audit Committee's previously stated interest in using NFI to report on underpayments to claimants.

Following discussion, the Commission agreed that Audit Scotland be asked to reflect, in its correspondence with the Public Audit Committee in this regard, the Commission's position thus:

- To support in principle any proposed extension of Audit Scotland's data matching powers to allow the mandating of other participants such as arm's length external organisations to the NFI.
- To support in principle any proposed extension of Audit Scotland's data matching powers to allow the NFI datasets to be used in the prevention and detection of errors and inaccuracies.
- To note, pending further consultation, any proposed extension of Audit Scotland's data matching powers to allow the NFI datasets to be used to assist in the recovery of debt owing to public bodies.

Actions: Director of Audit Services and Secretary

14. 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 including some related business by the Commission's Committee Review Sub-Group.

Following discussion, the Commission:

- Note the latest conclusions of the BVWG.
- Endorsed the conclusion of the Committee Review Sub-Group to retain the status of the BVWG as a working group.
- Agreed to retain the current names of the Commission's committees.

Actions: Secretary

15. Digital update (in private)

The Commission considered a report by the Digital Services Manager providing an update on the development of the digital support for the Commission.

Following discussion, the Commission agreed the next steps to develop its digital support, as proposed in the paper.

Actions: Digital Services Manager

16. Any other private business (in private)

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

Close of meeting

The meeting closed at 12.55pm.