

**MEETING: 9 JUNE 2022**

**REPORT BY: SECRETARY TO THE COMMISSION**

**MINUTES OF MEETINGS OF COMMISSION COMMITTEES OF 26 MAY 2022**

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## **Introduction**

1. This paper presents for the Commission's approval the draft minutes of the meetings of the Commission's two committees on 26 May 2022.
2. The Commission is also asked to consider approving the recommendations made by both committees to the Commission, as detailed below.

## **Minutes**

3. The minutes attached are as follows:
  - Financial Audit and Assurance Committee (FAAC) Appendix 1
  - Performance Audit Committee (PAC) Appendix 2
4. The Commission is asked to approve these minutes and consider any matters arising.

## **Recommendations**

5. In approving the minutes of the committees, the Commission is deemed to be endorsing the decisions reached by the committees, subject to approving any specific recommendations.

### ***Financial Audit and Assurance Committee***

6. The FAAC agreed to make the following specific recommendations to the Commission:
  - Item 4: that matters in relation to the appointment of Depute Monitoring Officers by Comhairle nan Eilean Siar be considered for reporting publicly by the Commission following publication of the annual audit report for 2021/22.

### ***Performance Audit Committee***

7. The PAC agreed to make the following specific recommendations to the Commission:
  - Item 4:
    - It consider how contingency planning features in its work programme (point raised by Sheila Gunn).
    - It seek advice from the Improvement Service on what activities it is planning for councils in relation to this matter, including the scope for joint working with the Commission.
    - The Executive Director of PABV report, as part of the Commission's consideration of the work programme, on how audit work and reporting reflect:
      - the experience of vulnerable people (Stephen Moore)

- the experience of the third sector in its engagement with local government and provision of services (Sophie Flemig)
- how to present a concept of a 'post-pandemic council' including an acknowledgement of risks around the sustainability of councils after the exhaustion of the additional resources received to respond to the pandemic (Stephen Moore).
- To demonstrate the Commission's leading role in providing independent assurance in this regard, the work programme feature more blogs and opinion pieces.
- It consider how to make use of previous published Commission reports on arm's-length external organisations to help highlight the financial pressures faced by such bodies (Stephen Moore).
- The Chair and Secretary give further thought to how the Commission's position in this regard is more effectively communicated and promoted, including:
  - how the paper could be used in published format
  - how such matters feature in stakeholder engagement events.

## **Conclusion**

8. The Commission is asked to:

- a) Approve the attached minutes and consider any matters arising.
- b) Agree the committee recommendations in paragraphs 6 to 7.
- c) Note any other updates provided at today's meeting.

**Paul Reilly**  
**Secretary to the Commission**  
**1 June 2022**

**MINUTES OF MEETING OF FINANCIAL AUDIT AND ASSURANCE COMMITTEE  
OF 26 MAY 2022**

Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held via online meeting on Thursday 26 May 2022 at 9.15am.

PRESENT: Tim McKay (Chair)  
Andrew Cowie  
William Moyes  
Sharon O'Connor  
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Account Commission  
Antony Clark, Interim Controller of Audit  
Adam Bullough, Audit Manager, Performance Audit and Best Value (PABV) (item 5)  
Fiona Caffyn, Audit Officer, PABV (item 5)  
Anne MacDonald, Senior Audit Manager, Audit Services Group (item 4)  
Dharshi Santhakumaran, Correspondence Manager, PABV (item 5)

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 24 February 2022
4.	Current issues from the local authority audits
5.	Intelligence report
6.	Any other business

1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of interest

No declarations of interest were made.

3. Minutes of meeting of 24 February 2022

The minutes of the meeting of 24 February 2022 were noted, the Commission having previously approved them as a correct record, and agreed the recommendations therein.

Arising therefrom, the Committee:

- In relation to item 5, noted advice from the Secretary, in response to a query from Tim McKay, that the technical guidance for the revised model form of Independent Auditor's Reports had been made available to members via email and SharePoint.
- In relation to item 7, noted advice from the Secretary that he was redesigning the regular risk assessment paper, to be part of the agenda of the next meeting of the Committee.

*Action: Secretary*

4. Current issues from the local authority audits

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

During discussion, the Committee:

- Noted advice from the Secretary and Interim Controller of Audit, in response to a query from Willian Moyes, that matters in relation to the appointment of Depute Monitoring Officers by Comhairle nan Eilean Siar were to be reported in the annual audit report for 2021/22.
- Further in this regard agreed to recommend to the Commission that this matter be considered for reporting publicly by the Commission following publication of the annual audit report.

*Action: Interim Controller of Audit & Secretary*

- Noted advice from the Interim Controller of Audit that he had liaised with the appointed auditor of City of Edinburgh Council in relation to the reporting of progress of the actions being taken by the Council in response to the publication of the conclusion of the independent inquiry into complaints about the conduct of the late Sean Bell.
- Noted advice from the Interim Controller of Audit, in response to a query from Andrew Cowie, that he will report further on the implications for audit, inspection and scrutiny of the outcome of an investigation by City of Edinburgh Council's independent whistleblowing service provider which found serious failings in the operation of Edinburgh Secure Services.

*Action: Interim Controller of Audit*

- Noted advice from the Interim Controller of Audit that he had liaised with the appointed auditor of Scottish Borders Council in relation to how the auditor will report progress of the actions being taken by the Council in response to the publication of the conclusion of the independent inquiry into its handling of school assault allegations.

*Action: Interim Controller of Audit*

- Noted advice from the Secretary, in response to a query from Geraldine Wooley in relation to how workforce planning and shared services feature in the Commission's work programme, that there was opportunity for the matter to be discussed when the Commission updates the work programme at its June meeting.
- Noted advice from the Interim Controller of Audit, in response to query from Andrew Cowie, that he would liaise with the appointed auditor of Highland Council in relation to risks around the resilience of the Council following the announcement of the resignation of the Council's Executive Chief Officer – Resources and Finance.

*Action: Interim Controller of Audit*

Following discussion, the Committee:

- Noted the report, taking assurance that the auditors' responses detailed therein recognise the scope of the risk identified and reflects the impact on planned audit work.
- Agreed in particular not to recommend to the Commission to direct the Interim Controller of Audit on any matters arising.

#### 5. Intelligence report

The Committee considered a report by the Secretary providing intelligence about councils from various sources including correspondence to Audit Scotland, the Scottish Public Sector Ombudsman, the Standards Commission for Scotland and the Scottish Information Commissioner.

During discussion, the Committee:

- Noted advice from the Secretary, in response to a query from William Moyes, that all of the information in his report is in the public domain.
- Noted advice from the Secretary, in response to a query from William Moyes, that he would consider how to provide pro-rata information in future reports.

*Action: Secretary*

- Noted advice from the Secretary, in response to a query from William Moyes, that he would consider further the clarity and accessibility of information and advice from the Commission and other appropriate bodies to citizens complaining about the public services.

*Action: Secretary*

- Noted advice from the Secretary, in response to a query from Tim McKay, that he would report back on the outcomes of investigations by the Scottish Public Sector Ombudsman on East Dunbartonshire Council.

*Action: Secretary*

Following discussion, the Committee

- Noted the report.
- Agreed that there were no matters requiring attention by the Commission.

*Action: Secretary*

#### 6. Any other business

The Chair then, having advised that there was no further business for this item, closed

the meeting.

Close of meeting

The meeting finished at 10.20am.

**MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE  
OF 26 MAY 2022**

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held via online meeting on Thursday 26 May 2022, at 11.15am.

PRESENT: William Moyes (in the chair)  
Andrew Burns  
Sophie Flemig  
Sheila Gunn  
Stephen Moore

IN ATTENDANCE: Paul Reilly, Secretary to the Commission  
Antony Clark, Executive Director of Performance Audit and Best Value (PABV)  
Carol Calder, Audit Director, PABV (item 4)  
Leigh Johnston, Senior Manager, PABV (item 5)  
Mark MacPherson, Interim Audit Director, PABV (item 4)  
Mark Roberts, Audit Director, PABV (item 4)  
Eva Thomas-Tudo, Audit Manager, PABV (Item 5)  
Catherine Young, Senior Manager, PABV (item 4)

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 24 February 2022
4.	Policy cluster briefing: the impact of Covid-19 and the increasing cost of living on service delivery and the financial sustainability of councils
5.	Performance audit: scope and approach – Adult mental health
6.	Any other business

1. Apologies for absence

It was noted that Christine Lester and Tim McKay had submitted apologies for absence. It was further noted that William Moyes would assume the chairing of the meeting in the absence of Christine Lester.

2. Declarations of interest

No declarations of interest were made.

3. Minutes of meeting of 24 February 2022

The minutes of the meeting of 24 February 2022 were noted, the Commission having previously approved them as a correct record, and agreed the recommendations therein.

Arising therefrom, the Committee:

- In relation to item 4 (first and fourth bullet points), noted advice from Sophie Flemig that she and Andrew Burns were discussing with the report team how to feature human rights considerations and matters associated with United Nations Convention on the Rights of the Child in the planned briefing on child poverty, a draft of which would be considered by the Commission at its August meeting.
- In relation to item 4 (second bullet point), noted advice from the Secretary that a 'stress testing' approach to public services in relation to the financial and social impact of Covid-19 would be part of the paper at item 4.
- In relation to item 4 (third bullet point), noted advice from Sophie Flemig that she was liaising with Audit Scotland on how to further develop the approach to public involvement and participation in audit work
- In relation to item 4 (fourth bullet point), noted advice from the Executive Director of PABV that Audit Scotland were monitoring the effect of the planned reform of social care on relationships between local government, Scottish Government and the third sector.
- In relation to item 4 (fifth bullet point), noted advice from the Secretary that the effect of the planned reform of social care on relationships between local government, Scottish Government and the third sector was considered by the Commission at its May meeting when it approved an approach to auditing and reporting on social care.
- In relation to item 8, noted advice from the Secretary that he was redesigning the regular risk assessment paper, to be part of the agenda of the next meeting of the Committee.
- Further in this regard, in response to a query from Sheila Gunn, noted advice from the Secretary and William Moyes on how readiness of the Commission and the public sector to a future significant event like the Covid-19 pandemic featured in the Commission's risk reporting and in its work programme.

4. Policy cluster briefing: the impact of Covid-19 and the increasing cost of living on service delivery and the financial sustainability of councils

The Committee considered a report by the Executive Director of PABV providing an update on key risks relating to the impact of Covid-19 and the increasing cost of living on service delivery and the financial sustainability of councils and summarising how these risks are being considered as part of the work programme.



During discussion, the Committee agreed to recommend to the Commission that:

- It consider how contingency planning features in its work programme (point raised by Sheila Gunn).

*Action: Executive Director of PABV & Secretary*

- It seek advice from the Improvement Service on what activities it is planning for councils in relation to this matter, including the scope for joint working with the Commission.

*Action: Executive Director of PABV & Secretary*

- The Executive Director of PABV report, as part of the Commission's consideration of the work programme, on how audit work and reporting reflect:
  - the experience of vulnerable people (Stephen Moore)
  - the experience of the third sector in its engagement with local government and provision of services (Sophie Flemig)
  - how to present a concept of a 'post-pandemic council' including an acknowledgement of risks around the sustainability of councils after the exhaustion of the additional resources received to respond to the pandemic (Stephen Moore).

*Action: Executive Director of PABV*

- To demonstrate the Commission's leading role in providing independent assurance in this regard, the work programme feature more blogs and opinion pieces.

*Action: Executive Director of PABV*

- It consider how to make use of previous published Commission reports on arm's-length external organisations to help highlight the financial pressures faced by such bodies (Stephen Moore).

*Action: Executive Director of PABV & Secretary*

- The Chair and Secretary give further thought to how the Commission's position in this regard is more effectively communicated and promoted, including:
  - how the paper could be used in published format
  - how such matters feature in stakeholder engagement events.

*Action: Secretary*

Following discussion, the Committee noted the report.

#### 5. Performance audit – scope and approach – Adult mental health

The Committee considered a report by the Executive Director of PABV proposing an approach to the performance audit, joint with the Auditor General, on adult mental health.

During discussion, the Committee:

- Noted advice from the audit team around likely challenges associated with the availability and adequacy of data.

Following discussion, the Committee:

- Agreed that the audit team further discuss with the audit sponsors, William Moyes and Christine Lester, the scope of the audit.
- Agreed that the audit team also consider in conjunction with the audit sponsors the matters raised in discussion, with a view to the Committee considering for ratifying at its August meeting the audit scope (including audit flyer and issues and investigations matrix).
- Agreed the process for further development of the audit, including emerging messages being considered by the sponsors and Auditor General in October 2022 and draft report considered by the Accounts Commission in Spring 2023.

*Action: Executive Director of PABV*

6. Any other business

The Commission Chair noted that this would be Mark Roberts' last meeting with the Committee before he left Audit Scotland, and thus conveyed the thanks of the Commission to Mark and its best wishes to him for his future career.

He then, having advised that there was no business for this item, closed the meeting.

7. Close of meeting

The meeting finished at 12.05pm.