

MEETING: 10 NOVEMBER 2022

REPORT BY: SECRETARY TO THE COMMISSION

MINUTES OF PREVIOUS MEETING

Introduction

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.

Minutes

2. The minute of the previous meeting is in **Appendix 1**. A summary of matters arising from the September Commission meeting is attached in **Appendix 2**.
3. Members should note that the action tracker – available on the member SharePoint site and also provided to members on a monthly basis – provides updates on progress from previous meetings.

Conclusion

4. The Commission is asked to:
 - a) Approve the attached draft minute of its previous meeting.
 - b) Note the summary of the matters arising, as well as any other updates provided at today's meeting.

Paul Reilly
Secretary to the Commission
1 November 2022

APPENDIX 1

Minutes of the 492nd meeting of the Accounts Commission held via 'hybrid' (in-person and online) meeting, in the offices of Audit Scotland at 102 West Port, Edinburgh and online on Thursday 8 September 2022 at 9.30am.

PRESENT: William Moyes (Chair)
Andrew Burns
Andrew Cowie
* Sophie Flemig
Sheila Gunn
Christine Lester
Tim McKay
Stephen Moore
Sharon O'Connor
Geraldine Wooley
* Online attendance

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
John Cornett, Executive Director of Audit Services
Elaine Boyd, Director of Audit Quality and Appointments (AQA) (item 16)
Michelle Borland, Business Manager, PABV (item 7)
Ray Buist, Senior Auditor, Audit Services (items 6 and 12)
Adam Bullough, Audit Manager, PABV (item 13)
Carol Calder, Audit Director, PABV (items 13 and 15)
Veronica Cameron, Senior Auditor, PABV (items 6 and 12)
Blyth Deans, Audit Manager, PABV (item 13)
Gemma Diamond, Audit Director, PABV (item 7)
Chris Holgate, Audit Officer, PABV (items 6 and 12)
Brian Howarth, Audit Director, Audit Services (items 6 and 12)
Leigh Johnston, Senior Manager, PABV (item 7)
Paul O'Brien, Senior Manager, Professional Support (item 14)
Owen Smith, Senior Manager, AQA (item 16)
Peter Worsdale, Audit Manager, PABV (items 6 and 12)

<u>Item</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declaration of connections
3.	Order of business
4.	Minutes of meeting of 11 August 2022
5.	Minutes of meetings of Commission committees of 25 August 2022
6.	Best Value Assurance Report: Comhairle nan Eilean Siar
7.	Strategy and work programme: work programme update
8.	Secretary's update report
9.	Chair's update report
10.	Interim Controller of Audit's update report
11.	Any other public business
12.	Best Value Assurance Report: Comhairle nan Eilean Siar (in private)
13.	Local government financial bulletin 2021/22 and local government overview 2023: scope (in private)
14.	Planning guidance: 2022/23 annual audits (in private)
15.	Strategic Scrutiny Group update – purpose and direction (in private)
16.	Audit appointment changes: 2021/22 audits (in private)
17.	Any other private business (in private)

1. Apologies for absence

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

2. Declaration of connections

There were no connections declared.

3. Order of business

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

- Item 12 required the Commission to consider actions in relation to a report by the Interim 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 13 required the Commission to discuss the scope of publications which may have required consideration of confidential policy matters in advance of audit work and subsequent publication.
- Item 14 required the Commission to consider draft planning guidance in advance of its publication, which may have required consideration of confidential policy matters.
- Item 15 required the Commission to consider confidential policy matters.
- Item 16 required the Commission to consider matters in relation to the appointment of auditors, which may have required consideration of confidential contractual matters.

The Chair advised that there was no business for item 17.

4. Minutes of meeting of 11 August 2022

The Commission considered a report by the Secretary presenting the minutes of the meeting of 11 August 2022, including a summary of business arising from those minutes.

The Commission:

- Approved the minutes as a correct record, subject to revising the minute of the Performance Audit Committee to include the attendance of Geraldine Wooley.

Action: Secretary

- Noted the summary of the matters arising.

5. Minutes of Commission committees meetings of 25 August 2022

The Commission considered a report by the Secretary presenting the minutes of the meetings of the Commission's committees of 25 August 2022.

The Commission:

- Approved the minutes as a correct record.
- Approved the following recommendation of the Financial Audit and Assurance Committee:
 - That workforce planning in Scottish local government be considered for inclusion in the work programme.

Action: Executive Director of PABV

- Approved the following recommendations of the Performance Audit Committee:
 - That future audit and audit reporting work in relation to social care ensure:
 - That promotion of the work include being directed at legislators and policymakers
 - That service user focus and involvement be given high priority.

Action: Executive Director of PABV

- That opportunities to articulate and promote the Commission's position on social care be maximised.

Action: Secretary and Audit Scotland Communications Manager

- That it seek opportunities to engage with the Scottish Parliament's Health and Sport Committee (and other Parliamentary committees as appropriate) on the National Care Service Bill.

Action: Executive Director of PABV and Secretary

6. Best Value Assurance Report: Comhairle nan Eilean Siar

The Commission considered a report by the Secretary presenting the Interim Controller of Audit's Best Value Assurance Report on Comhairle nan Eilean Siar.

Commission members raised several questions and points of clarification from the audit team and the Executive Director of Audit Services on the report in the following areas:

- Housing and depopulation (Sheila Gunn).
- Strategic improvement planning (Sophie Flemig).
- Medium and long-term financial planning (Andrew Burns).
- Management vacancies and capacity (Christine Lester).
- Strategic decision-making and responsibilities (Andrew Cowie).
- Workforce planning (Andrew Cowie).
- Strategic prioritisation (Andrew Cowie).
- Comhairle funding (Tim McKay).
- Integration Joint Board performance (Stephen Moore).
- Coherence and prioritisation in strategic planning (Sharon O'Connor and Geraldine Wooley).
- Depopulation (Christine Lester).
- Crown Estate funding (Christine Lester).
- Elected member and officer leadership (William Moyes).

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

7. Strategy and work programme: work programme update

The Commission considered a report by the Executive Director of PABV proposing the latest update to the joint Commission and Auditor General for Scotland work programme.

During discussion, the Commission:

- Agreed to note advice from the Executive Director of Audit Services, in response to a point by Tim McKay, that further information would be provided on how budget information will support Commission decisions around future audit products.

Action: Executive Director of PABV

- Agreed to note advice from the Audit Director, PABV, in response to a query from Tim McKay, that impact information would be reported to the Commission by the end of the year.

Action: Executive Director of PABV

- Agreed, in response to a point by Stephen Moore, that the Commission's approach to audit and business risk ensure appropriate agility.

Action: Secretary and Executive Director of PABV

- Agreed, in response to a point by Stephen Moore, to note the strategic importance of future work in relation to City Region and Growth Deals, and thus its interest in the outcome of the Executive Director's ongoing review of developments in this regard.

Action: Executive Director of PABV

- Agreed, in response to a point by Stephen Moore, to note the strategic importance to the Commission of ensuring emphasis on reporting on outcomes in its future work on social care.

Action: Executive Director of PABV

- Agreed, in response to a point by Andrew Cowie, to note the strategic importance to the Commission of it being aware of how audited bodies respond to findings and recommendations of other scrutiny and inspection bodies.

*Action: Executive Director of PABV
and Interim Controller of Audit*

- Agreed, in response to a point by Andrew Cowie, to note the importance to the Commission of being aware of up-to-date intelligence on the development of the proposed National Care Service.

Action: Executive Director of PABV

- Agreed further in this regard to note advice from Christine Lester that she would consider how the Performance Audit Committee consider this matter.

Following discussion, the Commission:

- Noted the progress delivering the work programme from June 2022 to August 2022.
- Endorsed the planned products up to March 2023 and the audit work currently planned to 2024.
- Agreed the proposed changes to the programme.

Action: Executive Director of PABV

- Agreed to delegate to the Chair and Interim Deputy Chair final approval for this update at a joint meeting with the AGS on 14 September 2022.

Action: Executive Director of PABV

- Agreed to have a strategic review of the work programme at its December meeting.

Action: Executive Director of PABV

- Noted the progress outlined in the update report about children and young people's mental health and that progress will continue to be monitored closely as part of the new approach to impact monitoring and evaluation, to help inform any future work in this area.

Action: Executive Director of PABV

- Agreed that further information be provided on how the Commission engages with young people in the development of its work programme, in order to consider endorsement of any proposal around a youth panel initiative.

Action: Secretary and Executive Director of PABV

8. 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.

Following discussion, the Commission:

- Agreed not to respond to the Scottish Government consultation highlighted in paragraph 29.
- Noted the report.

9. Chair's update report

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

10. Interim Controller of Audit's update report

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

11. Any other public business

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

The livestream of the meeting was stopped at this point.

12. Best Value Assurance Report: Comhairle nan Eilean Siar (in private)

The Commission discussed how to proceed in relation to the Interim Controller of Audit's Best Value Assurance Report on Comhairle nan Eilean Siar.

Following discussion, the Commission agreed:

- To make findings to be published on 29 September 2022.

Action: Secretary

- That the Interim Controller of Audit provide further information on the reporting of progress by the Comhairle against its Best Value duty in the annual audit.

Action: Interim Controller of Audit

13. Local Government Financial Bulletin 2021/22 and Local Government Overview 2023: scope (in private)

The Commission considered a report by the Executive Director of PABV seeking the approval of the proposed scope for the Local Government Financial Bulletin 2021/22 and Local Government in Scotland: Overview 2023 (LGO 2023).

During discussion, the Commission:

- Noted advice from the Audit Manager (Adam Bullough) on developments with the Local Government Benchmarking Framework.
- Agreed the importance of making links between these reports and forthcoming Best Value thematic work on elected member leadership.

Action: Executive Director of PABV

Following discussion, the Commission:

- Approved the scope of work for the Local Government Financial Bulletin 2021/22, subject to the audit team considering the points raised in discussion.

Action: Executive Director of PABV

- Approved the scope of work for the LGO 2023, subject to the audit team considering the points raised in discussion.

Action: Executive Director of PABV

- Approved the scope flyer.

Action: Executive Director of PABV

14. Planning guidance: 2022/23 annual audits (in private)

The Commission considered a report by the Secretary seeking the Commission's endorsement of the consultation draft of guidance for auditors on planning annual audits as it applies to local government auditors for the 2022/23 audit year.

During discussion, the Commission:

- Noted advice from the Secretary, in response to a point by Stephen Moore, that he would liaise with the Director of Audit Quality and Appointments (AQA) around the reporting to the Commission of the content and coverage of auditors' annual audit plans.

Action: Secretary

Following discussion, the Commission:

- Endorsed the draft of the guidance as a basis for consultation with auditors, subject to the drafting team considering the points raised in discussion.

Action: Senior Manager, Professional Support

- Agreed to delegate final sign off of the guidance to the Chair (subject to the option

available of further discussion by the Commission if the consultation requires significant change to the Commission's requirements).

Action: Senior Manager, Professional Support

- Noted that the Chair would present the published planning guidance to a conference of appointed auditors in October, setting out the Commission's expectations.

15. Strategic Scrutiny Group update – purpose and direction (in private)

The Commission considered a report by the Secretary to the Strategic Scrutiny Group (SSG) setting out the findings of a survey of SSG members and proposing the future direction and purpose of the SSG and Operational Scrutiny Group (OSG).

During discussion, the Commission:

- Agreed, in response to a point by Stephen Moore, that suitable priority be given to ensuring prominence to the outputs from the Commission's local government scrutiny co-ordination work.

Action: Secretary to SSG and Secretary to Commission

- Further in this regard, agreed, in response to a point by Christine Lester, that such priority particularly apply to work around health and social care services.

Action: Secretary to SSG and Secretary to Commission

Following discussion, the Commission:

- Agreed the proposals.

Action: Secretary to SSG and Secretary to Commission

- Agreed the next steps, including engaging with the Convention of Scottish Local Authorities (COSLA), Society of Local Authority Chief Executives (SOLACE) and Scottish Government ministers and civil servants.

Action: Secretary to SSG and Secretary to Commission

16. Audit appointment changes: 2021/22 audits (in private)

The Commission considered a report by the Director of AQA proposing changing the approach by which the Commission discharges its duty to appoint auditors in Audit Scotland.

Following discussion, the Commission:

- Agreed to revoke the previous arrangements in this regard.
- Approved the proposal for AQA to bring a single paper each year listing all appointments and identifying any recommended changes.
- Noted that discussions are progressing between the Director of AQA and the Secretary to the Commission on how to manage any in year appointment changes.
- Approved the 2021/22 audit appointments set out in the report.
- Revoked the appointment of Audit Scotland's previous Director of Audit Services Fiona Kordiak following her retirement.

Actions: Director of AQA

17. Any other private business

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

Close of meeting

The meeting closed at 1.05pm.