

**479<sup>th</sup> meeting of the Accounts Commission for Scotland**

**Thursday 13 May 2021, 9.30am  
by video conference**

**Agenda**

1. **Apologies for absence**
2. **Declarations of interest**
3. **Order of business**

The Chair seeks approval of business, including proposing taking items 10 to 20 in private (\* see note).

**Business requiring decisions in public**

4. **Minutes of meeting of 15 April 2021**
5. **Annual governance review**  
Report by the Secretary.

**Business for information in public**

6. **Secretary's update report**  
Report by the Secretary.
7. **Interim Chair's update report**  
Report by the Interim Chair.
8. **Controller of Audit's update report**  
Report by the Controller of Audit.

**Any other public business**

9. **Any other public business**  
The Interim Chair will advise if there is any other public business to be considered by the Commission.

**Business requiring decisions in private**

10. **Quality of public audit in Scotland: Draft report**  
Report by the Associate Director, Audit Quality and Appointments.
11. **Commission Annual Report: Draft**  
Report by the Secretary.
12. **Best Value update**  
Report by the Secretary.
13. **New audit appointments: Update by Interim Chair**  
Report by Interim Chair

14. **New audit appointments – Principles for building audit portfolios**  
Report by the Associate Director, Audit Quality and Appointments.
15. **New audit appointments – Principles for identifying audits to retain in Audit Scotland**  
Report by the Associate Director, Audit Quality and Appointments
16. **New audit appointments – Confidentiality**  
Report by the Associate Director, Audit Quality and Appointments.
17. **New audit appointments: Code of Audit Practice: Draft**  
Report by the Associate Director, Audit Quality and Appointments.
18. **New audit appointments Procurement Strategy**  
Report by Corporate Finance Manager

#### **Business for information in private**

19. **Strategic Scrutiny Group update**  
Report by the Secretaries to Strategic Scrutiny Group.

#### **Any other private business**

20. **Any other private business**  
The Interim Chair will advise if there is any other business to be considered by the Commission in private.

\* It is proposed that items 10 to 20 be considered in private because:

- Item 10 requires the Commission to consider confidential policy matters.
- Item 11 requires the Commission to consider a confidential legal matter and proposes a draft policy which the Commission is to consider before publishing.
- Item 12 requires the Commission to consider confidential policy matters.
- Item 13 requires the Commission to consider confidential commercial and contractual matters.
- Item 14 requires the Commission to consider confidential commercial and contractual matters.
- Item 15 requires the Commission to consider confidential commercial and contractual matters.
- Item 16 requires the Commission to consider confidential commercial and contractual matters.
- Item 17 requires the Commission to consider confidential commercial and contractual matters.
- Item 18 requires the Commission to consider confidential commercial and contractual matters.
- Item 19 presents an update on discussions with strategic scrutiny partners which may include confidential policy matters that the Commission would wish to discuss in private before proceeding.
- Item 20 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.

MEETING: 13 MAY 2021

MINUTES OF PREVIOUS MEETING

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Minutes of the 478<sup>th</sup> meeting of the Accounts Commission held via online meeting on Thursday 15 April 2021, at 9.00am.

PRESENT: Elma Murray (Interim 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  
 Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)  
 Fraser McKinlay, Controller of Audit and Director of PABV (Item 20)  
 Michelle Borland, Business Manager, PABV (Item 10)  
 Elaine Boyd, Associate Director, Audit Quality and Appointments (AQA) (Item 17)  
 Susan Burgess, Assistant Human Resources Manager (Item 14)  
 Carol Calder, Senior Manager, PABV (Item 12)  
 Lucy Carter, Policy Manager, Accounts Commission (Item 9)  
 Lynn Conway, Policy and Information Officer, PABV (Item 13)  
 Blyth Deans, Audit Manager, PABV (Item 12)  
 Gemma Diamond, Audit Director, PABV (Item 10)  
 John Gilchrist, Manager, AQA (Item 17)  
 Fiona Kordiak, Director of Audit Services (Item 18)  
 David Love, Senior Auditor, PABV (Item 12)  
 Diane McGiffen, Chief Operating Officer (Item 20)  
 Erin McGinley, Correspondence Officer, PABV (Item 14)  
 Carolyn McLeod, Chair of Audit Scotland Equalities and Human Rights Steering Group (Items 13 and 14)  
 Bernadette Milligan, Audit Manager, PABV (Item 13)  
 Ross Reid, Auditor, Audit Services (Item 13)  
 Owen Smith, Senior Manager, AQA (Item 17)  
 Claire Tennyson, Audit Officer, PABV (Item 12)  
 Martin Walker, Associate Director, Corporate Performance and Risk (Item 20)

<u>Item</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Order of business
4.	Minutes of meeting of 11 March 2021
5.	Audit Scotland Board update
6.	Interim Chair's update report
7.	Controller of Audit's update report
8.	Any other public business
9.	Work programme: stakeholder consultation feedback 2021 (in private)
10.	Strategy and work programme: joint work programme proposals (in private)
11.	Local Government Benchmarking Framework: National Benchmarking Overview Report 2019/20 (in private)
12.	Local government in Scotland: overview 2021 – draft report (in private)
13.	Mainstreaming equalities: progress – draft report (in private)
14.	Equality outcomes 2021-25 (in private)
15.	Best Value update (in private)
16.	New audit appointments update (in private)
17.	Draft Code of Audit Practice (in private)
18.	Addendum to Audit Planning Guidance (in private)
19.	Secretary's update report (in private)
20.	Audit Scotland update (in private)
21.	Any other private business

## Fraser McKinlay

The Chair advised the Commission that this would be its last meeting before the end of Fraser McKinlay's term as Controller of Audit and Director of Performance Audit and Best Value. She thanked Mr McKinlay for his exceptional service to and support of the Commission during his term, and conveyed to him the best wishes of the Commission for his future career, noting that Commission members would have an opportunity to express their personal thoughts in private later that day.

### 1. Apologies for absence

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

### 2. Declarations of interest

Geraldine Wooley declared an interest in items 13 and 14 as a consultant in diversity and equalities.

### 3. Order of business

It was agreed that items 9 to 21 be considered in private because:

- Item 9 reports on the outcome of a stakeholder consultation which includes matters which may affect the forthcoming Scottish Parliamentary election.
- Item 10 proposes a draft work programme which includes matters which may affect the forthcoming Scottish Parliamentary election.
- Item 11 includes discussion with representatives of the Local Government Benchmarking Board which includes matters which may affect the forthcoming Scottish Parliamentary election.
- Item 12 proposes a draft audit report which the Commission is to consider in private before publishing.
- Item 13 proposes a draft report which the Commission is to consider in private before publishing.
- Item 14 proposes a draft report which the Commission is to consider in private before publishing.
- Item 15 requires the Commission to consider confidential policy matters.
- Item 16 requires the Commission to consider confidential commercial and contractual matters.
- Item 17 requires the Commission to discuss confidential policy matters.
- Item 18 requires the Commission to discuss confidential policy matters.
- Item 19 includes reference to public policy matters which may affect the forthcoming Scottish Parliamentary election.
- Item 20 requires the Commission to consider confidential business matters.
- Item 21 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.

The Interim Chair advised that there was no business to be considered in private for item 21.

### 4. Minutes of meeting of 11 March 2021

The minutes of the meeting of 11 March 2021 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 7, fourth bullet point, noted advice from the Secretary, in response to a query from Sophie Flemig, that he would liaise with the Communications Manager to provide further information on how messages from the Annual Assurance and Risks Report be promoted in as accessible language as possible, as part of the Commission's communications strategy.

*Action: Secretary*

- In relation to item 17, noted advice from the Interim Chair that she had written to the Associate Director, AQA to confirm that the Commission had agreed the recommendation of the New Audit Appointments Steering Group regarding future tendering arrangements.
- In relation to Item 18, noted advice from the Interim Chair that the Minister for Local Government, Housing and Planning had approved the appointment of Antony Clark as Controller of Audit on an interim basis for a period of 12 months forthwith, in accordance with Section 97(4) of the Local Government (Scotland) Act 1973.

5. Audit Scotland Board update

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

During discussion, the Commission:

- Noted advice from the Interim Chair, in response to a query from Tim McKay on item 8 of the Board minute of 27 January (Governance arrangements: Review of Standing Orders), that the Board would be considering at a future meeting longer term options for increasing public access to Board meetings, including the Commission practice of making video recordings of the meetings available.
- Agreed, in response to a point by Tim McKay, that further information be provided on the European Charter of Local Government (Incorporation) (Scotland) Bill.

*Action: Secretary*

- Noted advice from the Chair, in response to a query from Sheila Gunn, that the Board considered financial monitoring and performance reports on a quarterly basis, which were available publicly, and that the Interim Chair had made the financial reports available on the Commission's SharePoint site.

Following discussion, the Commission agreed to note the report.

6. Interim Chair's update report

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

7. 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.

8. Any other public business

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

public part of the meeting.

9. Work programme: stakeholder consultation feedback 2021 (in private)

The Commission considered a report by the Secretary summarising the key messages from the Commission's consultation on its work programme for 2021/22 and beyond and outlining how Audit Scotland considered the responses as it developed its proposals.

During discussion, the Commission:

- Agreed that the next quarterly refresh of the work programme consider the impact of the Covid-19 pandemic on the sustainability of 'people-facing' council services (point raised by Stephen Moore).

*Action: Interim Director of PABV*

- Agreed that further thought be given in future refresh exercises to the emergency responses of audited bodies to the Covid-19 pandemic (Stephen Moore).

*Action: Interim Director of PABV*

- Agreed that the Commission continue to give thought to how the third sector features in Commission stakeholder engagement activity on its work programme (Sophie Flemig and Elma Murray).

*Action: Secretary*

- Agreed that the Commission give further thought to a human rights-based approach to auditing, with a view to considering its profile in Commission principles (Sophie Flemig and Stephen Moore)

*Action: Audit Scotland Equalities and Human Rights Steering Group*

- Agreed, in relation to specific questions in the paper on which the Commission's view was sought:

- On audit work on specific council service areas facing challenges, to note that Audit Scotland policy clusters and audit teams will consider this matter as the work programme is developed.

*Action: Interim Director of PABV*

- In light of its strategic alliance with the Improvement Service, to publish a summary of best practice examples, under each of the Best Value statutory themes, upon completion of the current phase of Best Value Assurance Reports.

*Action: Interim Director of PABV*

- That such a proposal be discussed further with the Improvement Service.

*Action: Secretary & Interim Director of PABV*

- To note that while there are no proposals in the current work programme in relation to the *How Councils Work* series, to keep the matter under review as part of future work programme refresh activity and in light of any discussion at the forthcoming Commission Strategy Seminar.

*Actions: Secretary & Interim Director of PABV*

Following discussion, the Commission noted the report and the future plans for



developing the Commission's strategy.

10. Strategy and work programme: joint work programme proposals (in private)

The Commission considered a report by the Interim Director of PABV setting out the proposed Accounts Commission and Auditor General for Scotland joint work programme and proposing an approach to managing a dynamic work programme.

During discussion, the Commission:

- Agreed that as part of a new approach to dynamic work programming, that it continue to consider how to develop a person-centred approach in audit work and reporting (Sophie Flemig and Stephen Moore).  
*Action: Interim Director of PABV*
- Agreed further that this matter be also considered in terms of promotion and communication of Commission work (Sophie Flemig).  
*Action: Secretary*
- Agreed to note advice from the Director, in response to points made by Andrew Burns and Tim McKay, that the approach to engaging with the Commission on a quarterly basis on the work programme was still being developed, and thus will be the subject of further discussion with the Commission.  
*Action: Interim Director of PABV*
- Agreed to note advice from the Director, in response to queries from Pauline Weetman, that a new dynamic approach to work programming will include:
  - How the Commission engages with its stakeholders on the work programme.
  - Proposed options for the Commission in prioritising work, reporting and products, linked to use of resources.
  - A role for sponsors in the management of the work programme.*Action: Interim Director of PABV & Secretary*
- To note, in response to a point made by Andrew Cowie, its continued focus on the core areas of financial management, financial sustainability, governance and accountability, and value for money as well as priority cross-cutting policy areas of climate change, inequalities and human rights and citizen and community engagement in public services.
- Agreed that the role of the third sector in delivering public services have more prominence in the work programme (Elma Murray).  
*Action: Interim Director of PABV*

Following discussion, the Commission:

- Approved the proposed Accounts Commission and Auditor General for Scotland joint work programme, including Accounts Commission specific audit products, subject to the points raised in discussion.  
*Action: Interim Director of PABV*
- Agreed that approval of the final draft of the work programme be delegated to the Chair subject to further discussion between her and the Auditor General.  
*Action: Chair*

- Agreed that in promoting the work programme, it be presented to underline the principle that it contains the two distinct programmes of work of the Commission and the Auditor General.

*Action: Secretary and Interim Director of PABV*

- Agreed a new approach to a dynamic work programme, with more regular Commission input and endorsement of the work programme throughout the year.

*Action: Interim Director of PABV*

- Noted to this end that a first quarterly refresh of the work programme will be prepared for the Commission and the Auditor General for Scotland in the summer.

*Action: Interim Director of PABV*

11. Local Government Benchmarking Framework: National Benchmarking Overview Report 2019/20 (in private)

The Commission considered a report by the Secretary introducing the Local Government Benchmarking Framework (LGBF) National Benchmarking Overview Report 2019/20 and introducing Kenneth Lawrie, Chair of the LGBF Board and Chief Executive of Falkirk Council, and Emily Lynch, Programme Manager at the Improvement Service, who presented the draft report.

The Interim Chair welcomed Kenneth Lawrie and Emily Lynch to the meeting, who undertook a presentation setting out messages from the National Overview Report and progress against the LGBF Board's strategic objectives.

During discussion, the Commission:

- Noted advice from the LGBF representatives, in response to queries from Commission members, in the following areas:
  - How the framework reports on the financial sustainability of councils (point raised by Andrew Burns).
  - How the project features the Commission's requirements in its Statutory Performance Information Direction as a strategic priority (Andrew Cowie).
  - How the LGBF Board is considering how to feature councils' response and recovery in relation to the Covid-19 pandemic. (Christine Lester and Sharon O'Connor).
  - How the project continues to strengthen its ten-year evidence base (Pauline Weetman).
- Noted that LGBF representatives would provide the Commission with further information on the Covid-19 dashboard being used by councils.

*Action: Secretary*

- Agreed that members provide any further comment on the content of the National Overview Report with the Secretary for onward discussion with the LGBF Board.
- Noted advice from the Chair that as part of the next LGBF Board meeting on 16 April, the Secretary was discussing the Commission's forthcoming review of its Statutory Performance Information Direction.

- Noted further advice from the Chair that she was meeting SOLACE (Society of Local Government Chief Executives – Scottish Branch) representatives on 26 April on the LGBF project.

Following discussion, the Commission:

- Noted the LGBF National Benchmarking Overview Report 2019/20.
- Agreed to consider the implications of the report for its Local Government Overview report.
- Noted that further dialogue with the LGBF Board on the future development of the project will take place in the coming months.

The Interim Chair then thanked Kenneth Lawrie and Emily Lynch for attending the meeting.

12. Local government in Scotland: overview 2021 – draft report (in private)

The Commission considered a report by Interim Director of PABV proposing the draft report *Local government in Scotland: overview 2021* and the process for finalising, publishing and promoting the report.

Following discussion, the Commission:

- Approved the draft report, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report.
- Agreed the process for finalising the report.
- Agreed the proposals for publishing and promoting the report, including a publication date of 27 May.

*Actions: Interim Director of PABV*

13. Mainstreaming equalities: progress – draft report (in private)

The Commission considered a report by the Chair of Audit Scotland Equalities and Human Rights Steering Group seeking approval for the 2019-2021 Mainstreaming Equality and Equality Outcomes progress report.

Following discussion, the Commission:

- Approved the draft report, subject to the drafting team considering points raised in discussion in conjunction with the Interim Chair, Interim Deputy Chair and Secretary.
- Agreed the proposed publication and promotion arrangements for the report, with a publication date of 27 April.

*Actions: Chair, Audit Scotland Equalities and Human Rights Steering Group*

14. Equality outcomes 2021-25 (in private)

The Commission considered a report by the Chair of Audit Scotland Equalities and Human Rights Steering Group proposing updated Equality Outcomes for the Accounts Commission for the period 2021-2025.

Following discussion, the Commission:

- Approved its Equality Outcomes for the period 2021-2025, subject to the drafting team considering points raised in discussion in conjunction with the Interim Chair, Interim Deputy Chair, Geraldine Wooley and the Secretary.
- Agreed that the Equality Outcomes be published jointly with Audit Scotland.
- Agreed the proposed publication and promotion arrangements for the report, with a publication date of 27 April.

*Actions: Chair, Audit Scotland Equalities and Human Rights Steering Group*

15. Best Value update (in private)

The Commission considered a report by the Secretary providing an update on matters relating to Best Value.

Following discussion, the Commission:

- Noted the report, including the latest conclusions of the Best Value Working Group.
- Agreed a revised schedule of Best Value Assurance Reports for 2021/22.

16. New audit appointment update (in private)

The Commission considered a report by the Interim Chair providing an update on the progress made with the New Audit Appointments project.

Following discussion, the Commission noted the report.

17. Draft Code of Audit Practice (in private)

The Commission considered a report by the Secretary proposing an updated draft of the Code of Audit Practice which will form the basis of tendering for a new round of audit appointments from 2022.

Following discussion, the Commission:

- Endorsed the latest draft of the Code as a basis for its further consideration by the Best Value Working Group.
- Noted the next stages for the project, including consideration by the Commission of a final draft of the Code for approval at its May meeting.

*Action: Interim Chair*

- Agreed that the approach to auditing Best Value in IJBs, as set out in the draft Code, be notified appropriately to interested parties in the Scottish Parliament.

*Action: Secretary*

18. Addendum to Audit Planning Guidance (in private)

The Commission considered a report by the Secretary seeking the Commission's endorsement of an addendum to audit planning guidance for the 2021/22 audit year.

Following discussion, the Commission agreed:

- To note advice from the Director, Audit Services on the ongoing pressures on auditors and audited bodies.

- To endorse the addendum to audit planning guidance for the 2021/22 audit year, setting out a revised reporting timetable to reflect such pressures.

*Action: Professional Support, Audit Scotland*

19. Secretary's update report (in private)

The Commission considered and noted 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 his report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- Noted its ongoing interest in how the Covid-19 pandemic has affected people in Scotland with disabilities (point raised by Stephen Moore).
- Noted its ongoing interest in the UK Government's stated intention to refer to the UK Supreme Court the question of the legislative competence of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill, passed by the Scottish Parliament (Sophie Flemig).
- Agreed that further information be provided on any gender analysis of the 2019/20 Scottish Crime and Justice Survey (Sophie Flemig).

*Action: Interim Director of PABV*

Following discussion, the Commission noted the report.

20. Audit Scotland update (in private)

The Commission considered a presentation by the Chief Operating Officer of Audit Scotland, accompanied by the Director of PABV and Associate Director, Corporate Performance and Risk, providing an update on the budget and ongoing strategic business of Audit Scotland, particularly in relation to Audit Scotland's Strategic Improvement Plan and annual Best Companies survey results.

Following discussion, the Interim Chair thanked the Chief Operating Officer, Director and Associate Director for attending the meeting and the Commission agreed that a further such update be scheduled for a forthcoming meeting.

*Action: Secretary*

21. Any other private business

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

Close of meeting

The meeting closed at 2.50pm.

**MEETING: 13 MAY 2021**

**REPORT BY: SECRETARY TO THE COMMISSION**

**ANNUAL GOVERNANCE REVIEW**

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**Purpose**

1. This report reports on the conclusion of a review of the Commission’s governance arrangements, including recommending actions and an approach to future such reviews.

**Background**

2. In previous discussions, the Commission has indicated a desire to introduce an annual governance review.
3. This paper sets out such a review and arising recommendations. It also recommends that such a review be done and reported to the Commission on an annual basis.

**Context**

4. There have been a number of significant changes to the Commission in the past year, including:
  - A new Interim Chair and Interim Deputy Chair are in place to the end of 2021.
  - [A review of Commission support arrangements](#) was considered by the Commission in September 2020.
  - A new Auditor General is in place from July 2020.
5. All of this has been against a backdrop of the Covid-19 pandemic since March 2020, which has had significant impact on the Commission, in terms of how it does its work, of how the audit that it secures is fulfilled, and of the public service landscape on which the Commission reports.
6. This paper provides the Commission with an overview of how it works in this environment of substantial change.
7. At their recent Strategy Seminar (20 and 21 April), Commission members discussed a range of matters which will be pertinent to the Commission’s governance arrangements, such as how it meets and how members fulfil their responsibilities. Members will be considering separately an action plan arising from the Strategy Seminar. Any likely influence on the Commission’s governance arrangements are included in this paper.

**Governance framework**

8. For the purposes of this review, a summary of the Commission’s governance framework is set out below. It incorporates matters in relation to the Commission’s relations with other bodies (external governance); its own operation (Commission governance: organisation); and matters affecting Commission members fulfilling their own responsibilities (Commission governance: members).

External governance	Commission governance: organisation	Commission governance: members
<ul style="list-style-type: none"> <li>• Framework for Partnership Working</li> <li>• <a href="#">Public Audit in Scotland</a></li> <li>• Strategic agreements: strategic scrutiny partners</li> <li>• Strategic agreements: others</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Role and purpose</a></li> <li>• <a href="#">Commission and committee remits</a></li> <li>• Working groups</li> <li>• <a href="#">Standing orders</a></li> <li>• Commission meetings and new ways of working</li> <li>• Ethics arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Member Code of Conduct</a></li> <li>• Commission member development and appraisal.</li> </ul>

9. The current position against each of these (with specific recommendations in **bold**) is as follows:

External governance	
Framework for Partnership Working	<p>Commission members, at a workshop session in February 2020 on the legal background to the new audit appointments procurement strategy, agreed that it be proposed to the Auditor General and Audit Scotland that the tripartite Framework for Partnership Working be reviewed.</p> <p>The Interim Chair is discussing with Audit Scotland how to take this action forward. <b>The Commission is asked to note this position.</b></p>
Public Audit in Scotland	<p>The Commission should note that as part of her discussion with the Auditor General and Audit Scotland on a review of the Framework for Partnership Working, the Interim Chair will discuss how the <i>Public Audit in Scotland</i> publication features in such a review.</p>
Strategic agreements: strategic scrutiny partners	<p>There are strategic agreements in place (such as memoranda of understanding) between the Commission and individual members of the Strategic Scrutiny Group (SSG). These agreements are reviewed periodically if required. Given, however, the changing scrutiny landscape, it may be appropriate that the SSG develop a more systematic approach to such a review.</p> <p><b>It is proposed that the Commission recommend to the SSG to consider including a systematic approach to the review of agreements between individual partners.</b></p>
Strategic agreements: others	<p>The Commission has no other such formal agreements in place with other organisations (except the recently agreed Strategic Alliance with the Improvement Service). The Commission may wish to note that Audit Scotland has a number of these in place.</p>
Commission governance: organisation	
Role and purpose	<p>Commission members considered a range of matters in relation to our role and purpose at their recent Strategy Seminar. This will be the subject of a paper to be considered by members proposing an action plan, outputs from which will be considered formally by the Commission in coming months.</p>

<p>Commission and committee remits</p>	<p>At a members' meeting in March, members agreed to endorse the outputs of a review of the Commission's committees which had been led by a working group consisting Tim McKay, Christine Lester and Pauline Weetman.</p> <p><b>The Commission is asked to note that:</b></p> <p>(a) <b>Most of these conclusions are now being taken forward in discussion with Audit Scotland, particularly around how the dynamic work programme is to develop.</b></p> <p>(b) <b>One outstanding conclusion of the review – on the names of the committees – is to be discussed further with the committee chairs and will be the subject of agreement by the Commission at a later date.</b></p>
<p>Working groups</p>	<p>In February, the Interim Chair reviewed the membership of the Commission's working groups. The outcome of this review is in the Appendix.</p> <p><b>The Commission is asked to note the position.</b></p>
<p>Standing Orders</p>	<p>The Commission's <a href="#">Standing Orders</a> are currently effective in facilitating how the Commission meets and carries out its business.</p> <p><b>It is however proposed that a review of the Standing Orders be done (and reported to the Commission) in coming months to reflect matters in this paper such as the review of committees and new ways of working.</b></p>
<p>Commission meetings and new ways of working</p>	<p>The Commission has in recent months revised how it meets and works to reflect the changes caused by the Covid-19 pandemic. It agreed to review the current arrangements in May.</p> <p>As part of the annual member survey supporting the recent Strategy Seminar, members were asked their views on the practice of the Commission meeting once per month for a longer time (compared to twice per month for a shorter time). 10 out of 11 members agreed with this approach.</p> <p><b>It is therefore proposed that this approach continue for the foreseeable future until a clearer understanding of the path out of Covid-19 restrictions is reached.</b></p> <p>Also as part of this approach, the Commission previously agreed that it develop more flexible ways of working outwith formal meetings, such as supporting more asynchronous working amongst members through the Commission's Teams channel.</p> <p>In the recent member survey, there were mixed views about the effectiveness of the current approach to offline working, as well as related matters on member workload. This is identified as an area of concern in the action plan from the Strategy Seminar.</p> <p><b>The Commission is asked to note that this will remain an area under review as part of the Strategy Seminar action plan. This approach will be reviewed as part of member consideration of member workload</b></p>



Ethics arrangements	<p>It is a Commission policy (agreed in <a href="#">November 2014</a>) to adopt the principles of Financial Reporting Council (FRC) standards, particularly the <a href="#">Ethical Standard</a>, to its own work. The Commission updated in <a href="#">December 2017</a> its current approach to ethical advice. It agreed not to designate an Ethics Partner for the Commission but that the Associate Director, Audit Quality and Appointments, be designated as the source of advice to the Commission on the FRC Ethical Standard. It also agreed that the Commission Standards Officer – who is the Commission Secretary and advises the Commission on the <a href="#">Ethical Standards in Public Life framework</a> and on the link with the FRC Ethical Standard – collaborate as appropriate with the Assistant Director in this regard.</p> <p><b>The Commission is asked to note this position.</b></p>
<b>Commission governance: members</b>	
Member Code of Conduct	<p>At its February meeting, the Commission agreed a response to the Scottish Government consultation on the Model Code of Conduct for Public Bodies. A new Model Code will be considered by Ministers and Parliament in a new Parliamentary session following the May election.</p> <p>Meantime, the Commission also noted ongoing discussion with the Scottish Government, Ethical Standards Commissioner and Standards Commission on proposed changes to the Commission's Code of Conduct to better reflect the Financial Reporting Council Ethical Standard. These discussions are proceeding with a view to Ministerial approval of a new Code early in the new Parliamentary session.</p> <p><b>The Commission is asked to note this position.</b></p>
Member development and appraisal	<p>At the recent Strategy Seminar, members discussed prospective content of a Commission member development plan. This will be considered by the Commission in June.</p> <p>Commission members will also consider in June the outcome of the ongoing review of the member development and appraisal process.</p> <p><b>The Commission is asked to note this position.</b></p>

### Future reviews

10. It is proposed that the Commission undertake a review of its governance arrangements on an annual basis, to be timed to ensure any feed into its deliberations on its strategy and work programme. Such a review will include an annual endorsement (and refresh if appropriate) of each of the elements of the governance arrangements.

### Conclusion

11. The Commission is invited to:
  - a) Endorse the conclusion of the annual governance review.
  - b) In particular to agree the recommendations in bold in the above table.
  - c) Agree to such a review on an annual basis.

**Paul Reilly**  
**Secretary to the Commission**  
**5 May 2021**

## **APPENDIX:**

### **REVIEW of COMMISSION COMMITTEES / WORKING GROUP MEMBERSHIP**

1. This paper updates the current position in relation to the Committees and Working Groups currently in operation. Since the last update in November 2020 a number of working groups have been closed down as they have achieved their remit or have been superseded by other arrangements. These are:
  - Commission Connected Group – David Robertson, Digital Services Manager, Audit Scotland, is leading work to create a mini-Digital Strategy for the Commission.
  - Equalities Sub-Group – only one Member of the Commission was on this group, so it was stood down.
  - Commission Support Working Group – concluded and residual work undertaken by the Interim Chair/Deputy Chair
  - Commission Development Programme Working Group – development work will be undertaken by the Interim Chair/Deputy Chair and Secretary
  - Community Empowerment Working Group – plan agreed and two Sponsors will now lead this work.
2. The table overleaf lists each of the Committees/Working Groups, their membership, whether they have Terms of Reference and how long they are expected to operate or report back and a summary of the proposal for each group.
3. The table will be reviewed on an annual basis as part of the Commission's annual Governance Review.

***E Murray***  
***February 2021***

**COMMISSION COMMITTEES / WORKING GROUP MEMBERSHIP AS AT FEBRUARY 2021**

<b>Committee / Working group</b>	<b>Elma Murray</b>	<b>Andrew Burns</b>	<b>Andrew Cowie</b>	<b>Sophie Flemig</b>	<b>Sheila Gunn</b>	<b>Tim McKay</b>	<b>Christine Lester</b>	<b>Stephen Moore</b>	<b>Sharon O'Connor</b>	<b>Pauline Weetman</b>	<b>Geraldine Wooley</b>	<b>Terms of reference</b>	<b>Notes</b>
<b>FAA Committee</b>	X	X			X	C			X	X	X	Y	
<b>PA Committee</b>	X		X	X			C	X				Y	
<b>New Audit Appointments Steering Group</b>	X					X						Y	Will finish at conclusion of project
<b>Strategic Scrutiny Group</b>	C					X						Y	Ministerial requirements. ToR are reviewed regularly
<b>Best Value Working Group</b>	C					X	X			X	X	Y	ToR updated in October and will be reviewed annually
<b>Member Appraisal Review</b>			X					X					Conclude in Apr 2021
<b>Committee Review</b>						C	X			X		Y	Conclude in Apr 2021
<b>Commitment</b>	5	1	2	1	1	5	3	2	1	3	2		

**MEETING: 13 MAY 2021**

**REPORT BY: SECRETARY TO THE COMMISSION**

**UPDATE REPORT**

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## **Introduction**

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government, including issues relating to the Covid-19 pandemic.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
  - The Controller of Audit report to the Commission, updating the Commission on his activity.
  - An update on issues relating to local government which is considered by the Commission's Financial Audit and Assurance Committee.
  - A weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

## **Commission business**

### ***Publications***

3. Audit Scotland collects media coverage on all the reports published by the Accounts Commission. [Appendix 1](#) provides download statistics for the Commission's published reports over the last 12 months. [Appendix 2](#) provides additional information on the overall engagement that reports and other business have received on social media.
4. Due to the pre-election period, the Commission's activity on social media has almost entirely stopped and this is reflected in the figures. The Commission only posted once during the period, to mark the passing of Prince Philip, Duke of Edinburgh.
5. There is a lot of activity planned for May, including vlogs reviewing the Commission meetings in April and May. The Commission will also be publishing and promoting Annual Report (on today's agenda), joint work programme and the Local Government Overview, as well as its Strategic Alliance with the Improvement Service.

### ***Other Commission business***

6. On 14 April Elma Murray, Interim Chair of the Commission wrote a blog for Audit Scotland staff on the two roundtable discussions with third sector providers and charities that were held in March. Elma highlighted the importance of the third sector and taking a citizen-focused approach to audit work. Elma's blog will be published externally following the election in May. The blog was shared with members via email and is saved on the members' SharePoint site [here](#).
7. On 21 April Andrew Cowie, member of the Commission wrote a blog for Audit Scotland staff about the role of report sponsors. Andrew explained how he sees the role of sponsor as a bridge between the Commission and the audit team and highlighted the variety that sponsoring a performance audit provides. The blog was shared with members via email and is saved on the members' SharePoint site [here](#).

8. On 27 April the Commission and Audit Scotland published the [Mainstreaming equalities and equality outcomes: progress report 2019-21](#). The Commission and Audit Scotland also set out how they will build on the achievements over the next four years, in the [Equality Outcomes 2021-25](#) report.
9. In April the Accounts Commission and Audit Scotland responded to two CIPFA consultations:
  - The Prudential Code for Capital Finance in Local Authorities (response saved [here](#))
  - Treasury Management in the Public Services – Code of Practice (response saved [here](#))
10. Responses to questions from members on the April Secretary report can be found on the members' SharePoint site [here](#). This includes a briefing on the [UK Community Renewal Fund and the Levelling Up fund](#) and [updates on new human rights bills](#).
11. At the April Commission meeting, in response to a question from Sophie Flemig relating to paragraph 65 of the April Secretary report, it was agreed that further information be provided on any gender analysis of the 2019/20 [Scottish Crime and Justice Survey](#). Among other findings, the survey noted that that:
  - Men were more likely to experience violent crime in 2019/20 than women (3.1% chance compared to a 2% chance for women).
  - Since 2008/09, while the proportion of men experiencing violent crime has fallen, it has not changed for women.
  - 65 per cent of women felt safe when walking alone in the local area after dark, compared to 90 per cent of men.
  - For most types of stalking and harassment, the majority of victims were women
12. On 10 May, the Commission support team will launch a survey to gather feedback from community representatives that have previously received newsletters about the BVAR specific to their council. The survey seeks to understand their experience of receiving and engaging with that newsletter and the messages in it. This will then help the Commission to communicate more effectively with community groups moving forward. The survey will run for one month and I will update members in June on the outcome.
13. The Commission support team are continuing to work with Audit Scotland's Communications and Digital Services team in developing proposals for livestreaming Commission meetings. The Commission is asked to note that livestreaming will start at the Commission June meeting, a month later than intended due to some technical matters.
14. It has been agreed with the Scottish Government that – as a result of the Scottish Budget agreed on 24 March – Commission members receive an uplift in their daily fees in line with the Scottish Public Sector Pay Policy, thus an uplift of 3 per cent for [2020/21](#) and 1 per cent for [2021/22](#).

### **Auditor General**

15. There is no relevant activity to report from the Auditor General during the pre-election period.

### **Audit Scotland**

16. On 6 April issue 77 of Abacus, Audit Scotland's staff magazine was published. This was shared with members via email and is saved on the members' SharePoint site [here](#).
17. On 19 April Audit Scotland launched its second working preferences survey, seeking views on future working patterns and arrangements. The results will help Audit Scotland's planning

in the short and medium term as the organisation moves closer to providing some limited access to the offices. The survey closed on Friday 30 April.

18. On 20 April Bowel Cancer UK delivered a session for staff as part of Bowel Cancer Awareness Month. The session covered the prevalence of bowel cancer, signs and symptoms, risk factors and bowel cancer screening.
19. On 27 April Audit Scotland's Scottish Exchequer team highlighted that it is hosting a knowledge café at 13:00 on 17 May, to explain the key messages from this year's budget. An invitation to the knowledge café was sent to members on the 5 May.

## **Issues affecting local government**

### ***Scottish Government***

20. Given that the Covid-19 emergency has resulted in a significant number of matters originating from the Scottish Government, this section is divided, for ease of reference, into the following sub-sections:
  - Local government general
  - Health and social care
  - Education
  - Transport
  - Business
  - Covid-19 measures
  - Other matters

### *Local government general*

21. On 12 April the Scottish Government [published](#) an Freedom of Information (FOI) release setting out the processes followed in local authorities' administration of Covid-19 business support grants.
22. On 13 April the Scottish Government [published](#) management information provided by local authorities relating to support for those who need to isolate after being contacted by Test & Protect. The information relates to numbers of contacts made by, and to, local authorities in this regard.
23. On 16 April the Scottish Government in conjunction with COSLA [published](#) a factsheet for local authorities deploying business restart grants.
24. On 20 April the Scottish Government [published](#) figures on the number of Council Tax Reduction (CTR) recipients and the income foregone for all local authorities from April 2013 to February 2021.
25. On 28 April the Scottish Government [released](#) figures on local government expenditure and income in 2019-20. This annual publication by the Chief Statistician provides data on the financial activity of local government for 2019/20, including revenue expenditure and income; capital expenditure and financing; reserves; debt; and pensions.

### *Health and social care*

26. On 21 April Public Health Scotland [published](#) refined statistics on individuals who were discharged from an NHS Scotland hospital to a care home between 1 March and 31 May 2020. This is an updated version of a report [published](#) in October last year, and is largely in response to concerns [raised](#) by the Office for Statistics Regulation in January.

### *Education*

27. On 14 April the Scottish Government [published](#) an FOI release relating to the survey findings of the Covid-19 Education Recovery Group. While there was general confidence about support being offered to pupils, school leaders (34 per cent) and registered teachers (37 per cent) had less confidence in available support for their own wellbeing.

### *Transport*

28. On 16 April Transport Scotland [published](#) weekly transport statistics for the period from Monday 5 April to Sunday 11 April.

### *Business*

29. On 16 April the Scottish Government [published](#) the latest Business Insights and Conditions Survey (BICS).
30. On 20 April the Scottish Government [published](#) labour market trends: April 2021.

### *Covid-19 measures*

31. On 6 April the Scottish Government [confirmed](#) that all secondary schools will reopen on Monday 19 April and children on the shielding list will be able to return on Monday 26 April. Additionally, the two-metre social distancing rule will not be required in schools, but twice-weekly testing will continue.
32. On 13 April the Scottish Government [announced](#) that from Friday 16 April:
- “Stay local” restrictions will be lifted, meaning individuals are able to travel around the country to meet outdoors for recreational reasons.
  - Outdoor mixing will be permitted for six individuals from six different households, with children excluded from totals.
33. On 13 April the Scottish Government also [announced](#) that from Monday 26 April:
- Outdoor mixing will be permitted for six individuals from six different households, with children excluded from totals.
  - Travel restrictions to England and Wales to be lifted, with the Scottish Government awaiting confirmation from Northern Ireland and parts of the Common Travel Area to finalise plans for this date.
34. In April the Scottish Government [published](#) the sixth two monthly report on the Coronavirus Acts, setting out the status and operation of legislation enacted in response to the pandemic. It covers the reporting period from Monday 1 February to Wednesday 31 March.
35. On 25 April the Scottish Government [announced](#) that from Monday 26 April everyone in Scotland will be able to access rapid Covid-19 testing, even if they have no symptoms.
36. On 26 April the Scottish Government [announced](#) the launch of Check In Scotland, a new digital service to support businesses in collecting contact details for contact tracing purposes.

### *Other matters*

37. On 7 April the Scottish Government [published](#) updated tables for the Scottish Budget 2021 to 2022 document to reflect the amendments made in March 2021 to the Budget during its passage through Parliament.
38. On 8 April the Scottish Government [published](#) a full list of public appointments by public

body. Members of the Accounts Commission are mentioned.

39. On 29 April the Scottish Government [published](#) a report on the work done to deliver the digital transformation service from 2020-21.

### ***Scottish Parliament***

40. On 12 April the Scottish Parliament was recalled to meet for a [Motion of Condolence](#) following the death of His Royal Highness the Duke of Edinburgh.

### ***Parliamentary committee news***

41. The Scottish Parliament was in recess between 25 March and 6 May 2021.

### ***Local government news***

42. On 7 April the TaxPayers' Alliance (TPA) [published](#) the Town Hall Rich List 2021. The report found 2,802 council workers employed by local authorities in 2019-20 received more than £100,000 in total remuneration, up 135 on the previous year.
43. On 7 April The Berwickshire News [published](#) an article on the attainment gap in the Scottish Borders. The Commission and Auditor General's performance audit report on [Improving outcomes for young people through school education](#) is referenced throughout.
44. On 13 April Unison [consulted](#) with its members working in local government on whether to take industrial action to secure a better pay offer from COSLA. On 23 April BBC [reported](#) that the pay offer was rejected by members of the GMB and Unite unions. On 29 April Unison [voted](#) to reject COSLA's pay offer and in favour of taking industrial action in pursuit of an improved offer.
45. On 15 April the Annandale Herald [published](#) an article referencing the Commission and Auditor General's performance audit report on [Improving outcomes for young people through school education](#). The article highlights findings from the report relating to Dumfries and Galloway Council.
46. On 19 April BBC [published](#) a full breakdown of the Covid-19 related deaths in every Scottish care home from data supplied by the Crown Office unit set up to gather information on the circumstances of the deaths. The data was released under FOI and can be filtered by "council" and "operator" as part of an interactive [dashboard](#).
47. On 20 April Unison [published](#) a survey of 12,000 local government workers across Scotland which found 82 per cent reported an increase in stress in the past year. Almost a third (27 per cent) said they had sought medical assistance due to the impact this past year has had on their mental health.
48. On 21 April the Sun [reported](#) that more than 50 libraries, community centres and sports facilities operated by Glasgow Life are not currently scheduled to reopen, after a 15 per cent drop in the charity's budget. On 22 April Glasgow Life [published](#) an update including explanations on why some venues are not yet scheduled to reopen.
49. On 22 April Falkirk Council [became](#) the first local authority in Scotland to launch an end-to-end digital telecare service.
50. On 25 April the Ferret [reported](#) that more than 12 per cent of waste collected for recycling by 17 councils is sent to energy-from-waste combustion plants. In Edinburgh the figure is 29 per cent, in West Lothian 27 per cent, in Glasgow 16 per cent and in Aberdeen 15 per cent.
51. On 27 April Stirling Council [highlighted](#) that it has launched Togetherall, a new 24-hour-a-day online mental health support service for young people.
52. On 28 April a pro-union campaign group, Scotland in Union, [claimed](#) cuts to council budgets



over the last parliament have cost 22,000 jobs in local authorities across Scotland.

53. On 28 April the BBC [reported](#) that a programme aimed at tackling child poverty in a Glasgow school has helped families claim more than £400,000 in extra benefits in less than 18 months.

### **Public policy news**

54. In March a report by Oxford Economics for the Hunter Foundation [called for](#) radical and ambitious policy changes to transform and boost Scotland's economic performance within the next 15 years. The report finds that "it is not realistic to think that the current economic policies of either the UK or Scottish governments will produce a transformation of Scotland's economic performance". A group of 27 Scottish business leaders, investors and heads of industry bodies have [endorsed](#) the report.
55. On 7 April the Institute of Chartered Accountants of Scotland (ICAS) and The Chartered Institute of Taxation (CIOT) [called on](#) Scotland's political parties to improve public awareness of devolved taxation in the next Scottish Parliament, as a new poll shows that a third of Scots are unaware that the Scottish Parliament has made changes to the tax system.
56. On 7 April the Child Poverty Action Group (CPAG) [published](#) a report on the two-child limit on benefits. It estimates at least 350,000 families and 1.25 million children have been affected by the policy on the fourth anniversary of its introduction. The CPAG argues that removing the two-child limit would be the most cost-effective way to reduce child poverty.
57. In April the Scottish Chambers of Commerce published:
- [a paper entitled "Rally for Growth"](#), calling for the relationship between businesses and politicians to be reset ahead of the Holyrood election
  - [quarterly economic results for Q1 2021](#)
58. In April the Fraser of Allander Institute published briefings on:
- [inequality in educational attainment](#). The Commission and Auditor General's performance audit report on [Improving outcomes for young people through school education](#) is referenced.
  - [adult social care](#). The Commission and Auditor General's performance audit report [Self-directed support: 2017 progress report](#) is referenced.
59. In April the Institute for Public Policy Research published:
- A [briefing](#) about how local tax reform can help support the recovery from Covid-19 and a [blog](#) making five recommendations for the next Scottish Government.
  - A [report](#) which warns there are a "large number of small-scale, silent Carillons" taking place as a consequence of deficiencies in the audit sector each year.
60. On 13 April the Electoral Commission [confirmed](#) 1,010,638 voters are now registered to vote by post at the Scottish Parliament election on 6 May. This accounts for nearly one quarter of the electorate (23.8 per cent) and is the highest number ever registered for a postal vote in Scotland.
61. On 13 April Homeless Action Scotland (HAS) [appealed](#) for the creation of a dedicated minister for homelessness and housing among proposals it thinks should be considered in the next Scottish parliament. It also called for thematic review of services to be conducted by Audit Scotland or a similar body in relation to those who become homeless numerous times.
62. On 14 April the Institute for Fiscal Studies (IFS) [published](#) a report on public spending trends in Scotland, claiming high levels of block funding from HM Treasury have given the Scottish Government scope to increase spend on devolved public services and points. The report points to lower attainment and poorer outcomes in maths and science for secondary school

pupils in Scotland compared to their English counterparts, despite higher spending per pupil. The Accounts Commission and Auditor General's performance follow up report on [Early Learning and childcare](#) is referenced.

63. On 19 April Reform Scotland [published](#) a range of policies it claims could be delivered in a cross-party fashion in the next Scottish Parliament. The think-tank calls for VAT and corporation tax to be devolved to Holyrood and encourages the devolution of business rates and council tax to local authorities.
64. On 20 April Nesta [published](#) research highlighting that nearly a million adults in Scotland and Wales struggle to afford sufficient, private and secure access to the internet.
65. On 20 April the Common Weal Care Reform Working Group [published](#) a report responding to the recommendations of the Independent Review of Adult Social Care.
66. On 21 April the Resolution Foundation [published](#) a report on how Covid-19 has impacted households across the UK, France and Germany.
67. In April the Reform Scotland's Commission on School Reform [published](#) its manifesto ahead of May's election, raising concerns around what it claims is a lack of diversity under successive governments.
68. On 22 April the Centre for Cities [published](#) an analysis of vacancies in 63 cities and large towns across the UK and found job recovery has been stronger in the North and Midlands, outperforming London and cities in Scotland such as Aberdeen and Edinburgh.
69. On 24 April the Scottish Trade Unions Congress (STUC) [published](#) a report on youth unemployment, which warns the current levels of unemployment will cost between £2.4 billion and £3 billion in lost wages. The report also calls for a green economic stimulus, a shorter working week, green apprenticeships and higher levels of progressive tax.
70. In April the Post-Covid-19 Futures Commission, established by the Royal Society of Edinburgh, [published](#) a report suggesting social prescribing, and other non-medical approaches, could alleviate pressure on the NHS and other public services in the wake of the pandemic. [Caroline Gardner](#), former Auditor General for Scotland is a member of the Post-Covid-19 Futures Commission.
71. In April the Institute for Government published:
  - A [report](#) mapping the fiscal position of Scotland, Wales and Northern Ireland.
  - A comparative [study](#) of public services across the four nations.
72. In April the Mental Health Foundation [published](#) a survey of parents with children in school, which found a third did not feel there was enough mental health education within the school curriculum in Scotland.

## **COSLA**

73. On 19 April COSLA [called for](#) political parties to make local government a priority in the upcoming election and expressed disappointment that local government had not featured enough in the campaign so far.

## **Improvement Service**

### **Scrutiny, inspection, regulatory and related bodies**

#### ***Scottish Public Ombudsman (SPSO)***

74. The SPSO's April newsletter outlines investigation reports, recent SPSO news and highlights emerging issues. More information on the SPSO's work, including detailed investigations and decision reports, is available on the [Our findings webpage](#). The Commission's Financial

Audit and Assurance Committee will consider more detailed intelligence from the SPSO on a six-monthly basis at its next meeting.

### **Scottish Housing Regulator (SHR)**

75. On 29 April the SHR [published](#) its March 2021 Covid-19 dashboard.

### **Other UK audit bodies**

76. On 1 April the Northern Ireland Audit Office (NIAO) [published](#) its Code of Audit Practice (Local Government).
77. On 9 April Kate Mathers, Executive Director of the National Audit Office (NAO) [wrote](#) an article for Public Finance, noting that the Covid-19 pandemic has proved the feasibility of remote auditing.
78. On 14 April Audit Wales [published](#) a report on procuring and supplying PPE for the Covid-19 pandemic. The report found that the Welsh Government and Shared Services put in place good arrangements to procure PPE, however not all contract award notices were published within 30 days.
79. On 20 April NAO [provided](#) an update on its framework to review government programmes.
80. On 22 April Audit Wales [published](#) a report in which it says the Covid-19 pandemic proved the value of local government in protecting people and communities.
81. On 28 April Alec Steel, who has led the NAO's operations management specialism since 2010, [published](#) a blog entitled "Improving Services is a Team Game".
82. On 29 April Jersey Audit Office [published](#) its second Covid-19 report on government's management of the healthcare response.
83. On 30 April the NAO [published](#) guidance for audit committees on cloud services, following increases in government spending with the major cloud providers in the last five years.
84. On 5 May the NIAO [published](#) a report entitled Closing the gap – social deprivation and links to educational attainment. The report finds that £913 million of Targeting Social Needs (TSN) funding has not made any demonstrable difference in narrowing the educational attainment gap between disadvantaged pupils and their more affluent counterparts.

### **UK Government**

85. On 29 March the Environment, Food & Rural Affairs Committee [published](#) its report on Covid-19 and food security in England. The report examined the introduction of free school meals, the impact of food insecurity on vulnerable and disabled people and the government's ongoing food redistribution strategy. The committee found almost one in ten households had faced food poverty during the two most recent lockdowns.
86. On 6 April the UK Government [launched](#) a new government-backed loan scheme to provide additional support for businesses. The Recovery Loan Scheme will include an 80 per cent government guarantee and interest rate cap. Businesses can access loans varying in size from £25,000 to £10 million and the scheme will run until the end of the year.
87. On 8 April the UK Government [announced](#) a package of support to help British Nationals (Overseas) families from Hong Kong settle successfully in the UK. Guidance has been [published](#) for local authorities.
88. On 8 April the UK Government [announced](#) the appointment of Sue Gray as the new Second Permanent Secretary in the Cabinet Office, leading on the Union and the Constitution.

89. On 8 April the UK Government [highlighted](#) that the Department for Work & Pensions is recruiting an additional 150 specialist Youth Employability Coaches across the UK.
90. On 8 April the UK Government published Universal Credit Local Housing Allowance Rates for England, Scotland and Wales for [2020-21](#) and [2021-22](#).
91. On 12 April the UK Government [referred](#) the [European Charter of Local Self-Government \(Incorporation\) \(Scotland\) Bill](#) and the [United Nations Convention on the Rights of the Child \(Incorporation\) \(Scotland\) Bill](#) to the Supreme Court. It believes certain provisions in the bills, both of which were passed recently by the Scottish Parliament, might place obligations on UK ministers, something which is beyond the scope of devolved powers. Royal assent will be delayed until the court provides a ruling.
92. On 15 April the Foreign Affairs Committee [published](#) its report on the diplomatic preparations for the 26th UN Climate Change Conference of the Parties (COP26). The report examines the government's ambitions for the conference, the mainstreaming of COP objectives, domestic policy-making and the impact of Covid-19.
93. On 20 April the UK Government [announced](#) that it will set in law a target to reduce emissions by 78 per cent by 2035.
94. On 26 April the UK Government [highlighted](#) that schools in England can now register to offer a summer school and bid for a share in £200 million of UK Government funding. Summer schools will be targeted at children who suffered the most disruption and Year 7 students to help them navigate the transition to secondary school.
95. On 27 April the Treasury [published](#) the strategic review of the financial reporting response to Covid-19, looking at the effectiveness of guidance and reduced reporting measures offered to account preparers.
96. On 27 April the UK Government [announced](#) the creation of an investment council to act as an advisory body on foreign investment.
97. In April the Treasury Committee [launched](#) an inquiry into achieving an equal recovery from the pandemic. The deadline to submit evidence is Monday 28 June.

#### **Other UK news**

98. On 13 March the Care and Support Alliance (CSA) [published](#) a report based on a survey of over 4,000 people who need social care. The report reveals that because of a lack of care 1 in 7 (14 per cent) said they needed hospital treatment, and more than a quarter (28 per cent) said their health had deteriorated.
99. On 1 April Public Finance [highlighted](#) information from the [National Day Nurseries Association \(NDA\)](#) relating to early years underspends, which have increased from £55.5 million to £62 million for 2019/20. 74 per cent of councils in England reported underspending their funding for three and four-year old childcare places in 2019-20.
100. On 16 April Public Finance [highlighted](#) that councils in Wales face funding pressures of £178 million by 2022-23 as Covid-19 and slower growth in Welsh government funding impact on authority budgets, according to new [analysis](#) by Cardiff University's Wales Governance Centre.
101. On 21 April the Trussell Trust [reported](#) a record 2.5 million emergency food parcels were given to people facing crisis across the UK between April 2020 and March 2021.
102. On 23 April Public Finance [highlighted](#) that audit firm Mazars found that City of York Council overpaid severance and sick pay to a former chief executive amid threats of tribunal claims. The public interest report produced by the firm and the council's response can be found [here](#).

103. On 28 April the European Parliament [voted](#) in favour (For 660, Against 5, Abstentions 32) of consenting to the EU-UK Trade & Cooperation Agreement. An accompanying resolution setting out parliament's evaluation of and expectations from the deal also passed.
104. On 29 April Public Finance [highlighted](#) that the High Court has dismissed an attempt to allow council meetings in England to be held online past 7 May when existing Covid-19 legislation expires.

### **Conclusion**

105. The Commission is invited to consider this report for noting.

**Paul Reilly**  
**Secretary to the Commission**  
**4 May 2021**

## **APPENDIX 1: Accounts Commission reports in past 12 months – downloads**

<b>Report</b>	<b>Date</b>	<b>Report downloads</b>	<b>Podcast downlds</b>
<a href="#">Improving outcomes for young people through school education</a>	23 Mar 21	1,983	n/a
<a href="#">Local Government in Scotland: Financial Overview 2019/20</a>	26 Jan 21	1,321 (+363)	n/a
<a href="#">Digital progress in local government</a>	14 Jan 21	1,653 (+258)	n/a
<a href="#">Digital progress in local government – supplement 1 (checklist)</a>	14 Jan 21	196 (*)	n/a
<a href="#">Digital progress in local government – supplement 2 (methodology)</a>	14 Jan 21	80 (*)	n/a
<a href="#">Housing Benefit Performance audit: annual update 2020</a>	8 Dec 20	190 (+36)	n/a
<a href="#">Best Value Assurance Report: The City of Edinburgh Council</a>	26 Nov 20	1,080 (+163)	n/a
<a href="#">Covid-19 Strategic Scrutiny Group</a>	5 Nov 20	740 (+80)	n/a
<a href="#">Best Value Assurance Report: Aberdeenshire Council</a>	22 Oct 20	735 (+80)	n/a
<a href="#">Best Value Assurance Report: Dundee City Council</a>	29 Sept 20	947 (+96)	n/a
<a href="#">Best Value Assurance Report: Moray Council</a>	27 Aug 20	1,402 (+65)	n/a
<a href="#">Accounts Commission annual report 2019/20</a>	2 July 20	456 (+38)	n/a
<a href="#">Best Value Assurance Report: North Ayrshire Council</a>	30 June 20	1,077 (+83)	n/a
<a href="#">Local government in Scotland Overview 2020</a>	23 June 20	1,654 (+135)	n/a
<a href="#">Equal pay in councils - Impact report</a>	9 June 20	676 (+44)	n/a
<a href="#">Best Value Assurance Report: Argyll and Bute Council</a>	21 May 20	1,039 (+64)	n/a
<a href="#">Affordable housing</a>	9 April 20	3,089 (+462)	n/a

### **Key:**

(x) Increase in numbers since last month

\* This figure is below 30

n/a Not applicable.

**APPENDIX 2 – Accounts Commission social media engagement data**

	Followers	Posting views	Video views	Links accessed	Retweets	Likes	Replies	Number of publications
<b>May 20</b>	539 (+13)	7,700	177	135	14	43	0	1
<b>Jun 20</b>	561 (+22)	5,000	1,900	53	24	45	2	3
<b>Jul 20</b>	583 (+22)	12,600	408	19	30	86	4	1
<b>Aug 20</b>	590 (+7)	7,100	129	27	18	18	0	1
<b>Sep 20</b>	605 (+15)	9,700	607	82	35	46	2	1
<b>Oct 20</b>	617 (+12)	10,700	526	34	26	34	0	1
<b>Nov 20</b>	639 (+22)	23,400	730	106	49	53	3	2
<b>Jan 21</b>	683 (+30)	50,000	2,400	128	94	103	9	2
<b>Feb 21</b>	686 (+3)	11,000	307	20	9	10	1	0
<b>Mar 21</b>	701 (+15)	36,100	2,100	76	66	138	10	1
<b>Apr 21</b>	704 (+3)	3,300	n/a	1	1	0	0	0

Increase on previous month shown in brackets

**MEETING: 13 MAY 2021**

**REPORT BY: INTERIM CHAIR OF ACCOUNTS COMMISSION**

**INTERIM CHAIR'S UPDATE REPORT**

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**Purpose**

1. This report provides an update on the engagements and work of the Interim Chair of the Accounts Commission.

**Engagement and Audit Scotland business**

2. The engagements and work in the period from 1 to 30 April have been as follows:

***Audit Scotland Board and Committee meetings***

- There were no meetings in April.

***Audit Scotland engagement***

- 12 April – Regular catch up with Alan Alexander, Audit Scotland Board Chair.
- 13 April – Catch up with Antony Clark, new Interim Controller of Audit and Interim Director of Performance and Best Value.
- 16 April – Audit Scotland Farewell Celebration for Fraser McKinlay, outgoing Controller of Audit and Director of Performance and Best Value. A fitting tribute.
- 22 April – Monthly catch up with Diane McGiffen, Chief Operating Officer.
- 22 April – New Audit Appointments Steering Group meeting.
- 27 April – Work Programme refresh discussion with Stephen Boyle, Auditor General for Scotland, Antony Clark, Tim McKay, Interim Deputy Chair, Paul Reilly, Commission Secretary, Mark Roberts, Audit Director, Michelle Borland, Business Manager, Patrick McFall and Joanna Mansell, Communications advisers.
- 29 April – Regular catch up with Stephen Boyle.

***External engagement***

- 1 April – Strategic Scrutiny catch up with Brian McNulty, Chair of Strategic Operational Group, and Mark Roberts, Strategic Scrutiny Group Secretary to discuss programme of work for 2021.
- 14 April – Caroline Gardner, Insight Session pre-meeting.
- 26 April – Standards Commission meeting to discuss current issues and priorities with Paul Reilly.
- 26 April – Regional Networks of Registered Tenant Organisations with Carol Calder, Senior Manager, to discuss their enquires about HRA.
- 26 April – Local Government Benchmarking Framework discussion with Solace Chair Steve Grimmond, Chief Executive of Fife Council, Deputy Chair Andrew



Kerr, Chief Executive City of Edinburgh Council, and LGBF Lead Kenneth Lawrie, Chief Executive of Falkirk Council.

- 27 April – Joint Strategic Scrutiny Group and Shared Intelligence Group meeting with Sarah Gadsden, Chief Executive of Improvement Service, Simon Watson, Joint Chair of SIG and Medical Director, Healthcare Improvement Scotland, Mark Roberts, Strategic Scrutiny Group Secretary, Leigh Johnston, Senior Audit Manager, and Donald Morrison, Healthcare Improvement Scotland to discuss progress on IJB Shared Intelligence work.

### **Commission business, development and support**

#### 3. Commission business has been as follows:

- Regular catch ups with Paul Reilly and Jillian Elgin, Executive Assistant to the Commission.
- 1 April – Commission Digital Strategy and Digital Services requirements catch up with David Robertson, Digital Services Manager, in preparation for his update to the Commission in May.
- 1 April – Action Tracker review meeting with Paul Reilly, Jillian Elgin and Lucy Carter, Commission Policy Manager.
- 14 April – Accounts Commission pre meeting with Commission members.
- 14 April – Forward planning meeting with Tim McKay, Paul Reilly, Lucy Carter and Jillian Elgin to discuss up and coming Commission business and prepare for our Strategy Seminar.
- 14 & 28 April – Best Value Working Group meeting. Updates are shared with Commission members at each monthly Commission meeting as a standing item on our agenda and papers are shared on the Commission SharePoint site.
- 15 April – Accounts Commission meeting.
- 19 April – Communications catch up with Simon Ebbett, Communications Manager to discuss Commission priorities and ambitions.
- 19 April – Catch up with Kathrine Sibbald, Audit Quality Project Manager around future business for Best Value Working Groups.
- 20 & 21 April – Accounts Commission Strategy Seminar.
- 20 April – Catch up with Tim McKay to discuss ongoing Commission business.
- 21 April – Commission Insight session with Caroline Gardner.
- 22 April – Communications monthly catch up meeting with Paul Reilly, Lucy Carter, Craig Flannigan and Joanna Mansell, Communications Team, to discuss Accounts Commission communications, engagement, and public profile.
- 29 April – Monthly sponsor catch up with Local Government Overview team to discuss the comments from Commission members and the approach, timing, and emerging messages for the Local Government Overview due for publication in May.

#### 4. Other areas of work have included:

- Preparation for the Strategy Seminar including discussions with Andrea Quinn, external facilitator.
- Preparation for the Audit Scotland Board Development Session on 10 May.

## **Forthcoming activities**

5. My forthcoming engagement activities include:

- Weekly catch ups with Paul Reilly and Jillian Elgin.
- 4 – 7 May – Few days off.
- 10 May – Catch up with Elaine Boyd, Associate Director. Audit Quality and Appointments, to discuss audit quality work.
- 10 May – Board Development workshop.
- 11 May – Catch up with Kathrine Sibbald, Audit Quality Project Manager around future business for Best Value Working Groups.
- 12 May – Accounts Commission pre meeting.
- 12 May – Audit Scotland Audit and Remuneration and Human Resources Committees.
- 12 May – Catch up with Antony Clark.
- 12 May – Introductory meeting with Netta Meadows, new Chief Executive of Scottish Borders Council.
- 13 May – Accounts Commission meeting.

## **Conclusion**

6. The Commission is invited to:

- a) note this report and enquire about any areas of interest
- b) consider whether there are any changes that they would wish to see to the format and content of the report for the future.

**Elma Murray**  
**Interim Chair**  
**2 May 2021**

**MEETING: 13 MAY 2021**

**REPORT BY: CONTROLLER OF AUDIT**

**CONTROLLER OF AUDIT REPORT**

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**Purpose**

1. This report provides an update on my engagement activity during April 2021.

**Engagement**

2. Please note below my engagements in April:
  - **6 April** – Lesley Evans, Permanent Secretary, and her Directors General Executive Team.
  - **8 April** – Ann Marie Harkin, Executive Director, Audit Wales.
  - **9 April** – Allan Campbell and Callum Thomson, Scottish Parliament.
  - **9 April** – Anna Fowle, Chief Executive, Scottish Council for Voluntary Organisations (SCVO).
  - **20 & 21 April** – Accounts Commission Strategy Seminar.
  - **23 April** – Nicola Killean, Chief Executive Officer, Sistema Scotland.
  - **23 April** – Collette Kane, Director, Northern Ireland Audit Office (NIAO).
  - **23 April** – SLF (Scottish Leaders Forum) Accountability and Incentives Action Group.
  - **29 April** – Carol Tannahill, Chief Social Policy Adviser, Scottish Government.
  - **30 April** – Robbie Pearson, Chief Executive, Healthcare Improvement Scotland (HIS), Sandra McDougal, Interim Director of Quality Assurance (HIS), Peter MacLeod, Chief Executive, Care Inspectorate (CI), Kevin Mitchell, Executive Director, Scrutiny and Improvement (CI), Fidelma Eggo, Strategic Inspector (CI).
  - **30 April** – Jennie Barugh, Director, Performance and Strategic Outcomes, Scottish Government.

**Conclusion**

3. Commission members are invited to note this report.

**Antony Clark**  
**Interim Controller of Audit**  
**4 May 2021**