

**ACCOUNTS COMMISSION**

**MEETING 15 JANUARY 2015**

**MINUTES OF PREVIOUS MEETING**

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Minutes of the meeting of the Accounts Commission  
held in the offices of Audit Scotland at  
18 George Street, Edinburgh, on  
Thursday, 11 December 2014, at 10.00am

PRESENT: Douglas Sinclair (Chair)  
Ronnie Hinds (Deputy Chair)  
Alan Campbell  
Colin Duncan  
Christine May  
Tim McKay  
Stephen Moore  
Colin Peebles  
Linda Pollock  
Pauline Weetman

IN ATTENDANCE: Fraser McKinlay, Controller of Audit and Director of Performance Audit  
and Best Value (PABV)  
Gordon Smail, Acting Secretary  
Ronnie Nicol, Assistant Director, PABV [Items 9, 10 and 11]  
Fiona Mitchell-Knight, Assistant Director, Audit Services Group (ASG)  
[Items 9 and 10]  
Dave Richardson, Senior Audit Manager, ASG [Items 9 and 10]  
Gemma Diamond, Senior Manager, PABV [Items 9 and 10]  
Fiona Selkirk, Project Manager, PABV [Items 9 and 10]  
Antony Clark, Assistant Director, PABV [Item 12 and 13]  
Angela Cullen, Assistant Director, PABV [Item 12]  
Kathrine Sibbald, Senior Manager, PABV [Item 13]  
Douglas Black, Project Manager, PABV [Item 13]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 13 November 2014
5.	Minutes of meeting of Financial Audit and Assurance Committee of 27 November 2014
6.	Minutes of meeting of Performance Audit Committee of 27 November 2014
7.	Update report by the Secretary to the Commission
8.	Update report by the Controller of Audit
9.	Statutory report – South Ayrshire Council
10.	Statutory report – South Ayrshire Council <i>[in private]</i>
11.	Review of Auditing Best Value <i>[in private]</i>
12.	Performance Audit Programme 2015/16 <i>[in private]</i>
13.	Statutory performance information: 2014 Direction <i>[in private]</i>
14.	Commission business matters <i>[in private]</i>

1. Apologies for absence

It was noted that apologies for absence were received from Sandy Cumming and Graham Sharp.

2. Declarations of interest

The following declarations of interest were made:

- Colin Duncan: in items 9 and 10, in view of political connections in the South Ayrshire area. He played no part in the consideration of the said items.
- Christine May: in item 12, as Vice-Chair of the Fife Cultural Trust.
- Linda Pollock: in item 11, as a member of the board of the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 10 to 14 should be taken in private as they contained confidential issues.

4. Minutes of meeting of 13 November 2014

The minutes of the meeting of 13 November 2014 were submitted and approved, subject to noting that, in relation to item 9 (Shared Risk Assessment 2015/16), the minute would be updated to show that the actions agreed are for the Director of Performance Audit and Best Value to address.

5. Minutes of meeting of Financial Audit and Assurance Committee of 27 November 2014

The minutes of the meeting of the Financial Audit and Assurance Committee of 27 November 2014 were approved as a correct record.

6. Minutes of meeting of Performance Audit Committee of 27 November 2014

The minutes of the meeting of the Performance Audit Committee of 27 November 2014 were approved as a correct record.

7. Update report by the Secretary to the Accounts Commission

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.

During discussion the Commission noted that, in addition to the matters highlighted in the Secretary's report, the Scottish Government is to convene an independent commission to examine alternatives to the existing council tax system and that the Commission will report in autumn 2015.

8. Update report by the Controller of Audit

The Controller of Audit provided a verbal update on his recent activity including meetings and discussions with stakeholders. The Commission noted with interest the Controller's recent discussions with the Centre for Public Scrutiny and the National Audit Office on matters concerning local government in England.

During discussion the Commission agreed that as background information to the Commission's work in Scotland:

- members should be provided with copies of relevant reports by the Centre for Public Scrutiny and the National Audit Office
- the Commission would maintain a close interest in developments in local government in England, Wales and Northern Ireland.

*Action: Secretary to the Commission*

9. Statutory report – South Ayrshire Council

The Commission considered a report by the Secretary introducing a statutory report by the Controller of Audit on South Ayrshire Council and seeking direction on how to proceed.

During consideration, the Commission agreed:

- to note the report
- to consider in private how to proceed.

10. Statutory report – South Ayrshire Council [in private]

The Commission agreed that this item be held in private to allow it to consider how to proceed in relation to a report by the Controller of Audit.

The Commission discussed how to proceed in relation to the statutory report by the Controller of Audit on South Ayrshire Council.

Following discussion, the Commission agreed:

- to make findings, as contained in the report to be published on 18 December 2104.
- as part of those findings, to require the Controller of Audit to report again within 18 months.

11. Review of Auditing Best Value [in private]

The Commission agreed that this item be held in private to allow it to discuss an update on work to review the approach to auditing Best Value.

The Commission considered a report by the Director of Performance Audit and Best Value inviting the Commission to consider the development activity described in the report; consider and approve draft principles which will form the basis of discussions with stakeholders; consider the timescales and milestones for the development work; and consider the arrangements for engaging with stakeholders.

Following discussion, the Commission agreed:

- subject to amendments arising during the discussion, to approve the draft principles and the approach outlined in the report

*Action: Director of Performance Audit and Best Value*

- to arrange a workshop session for Commission members to allow further discussions about Best Value auditing
- to establish a sub-group, comprising the Chair and the Chairs of the Commission's two committees, to take forward the Commission's review of auditing Best Value.

*Action: Secretary to the Commission*

12. Performance Audit Programme 2015/16 [in private]

The Commission agreed that this item be held in private to allow it to discuss the performance audit programme for 2015/16.

The Commission considered a report by the Director of Performance Audit and Best Value outlining the performance audit programme prepared on behalf of the Accounts Commission and the Auditor General.

Following discussion the Commission agreed, subject to further discussions on specific proposals for performance audits in 2015/16 and future years, to agree the performance audit programme as set out in the report.

*Action: Director of Performance Audit and Best Value*

13. Statutory performance information: 2014 Direction [in private]

The Commission agreed that this item be held in private to allow it to discuss the statutory performance information: 2014 Direction.

The Commission considered a report by the Director of Performance Audit and Best Value setting out the Accounts Commission's 2014 Direction, due to be published by 31 December 2014, and the proposals to bring a further report to the Commission in June 2015 outlining options for a long-term strategy in relation to SPIs.

Following discussion, the Commission agreed:

- to approve the 2014 Direction, with delegated authority to the Chair to approve the foreword.
- to note that a further report would be brought to the Commission

*Actions: Director of Performance Audit and Best Value*

14. Commission business matters [in private]

The Commission agreed that the Chair's update on Commission business matters be held in private to allow it to discuss issues of a confidential nature relating to the operations of the Commission.

The Chair briefed the Commission on matters of interest.