

MEETING: 11 APRIL 2019

MINUTES OF PREVIOUS MEETING

Minutes of the 455th meeting of the Accounts Commission held in the offices of Audit Scotland at 102 West Port, Edinburgh, on Thursday 7 March 2019, at 10.15am.

PRESENT: Graham Sharp (Chair)
Andrew Burns
Andrew Cowie
Ronnie Hinds
Christine Lester
Tim McKay
Stephen Moore
Pauline Weetman
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Gemma Diamond, Senior Manager, PABV (Item 10)
Leigh Johnston, Senior Manager, PABV (Item 9)
Fiona Kordiak, Director of Audit Services (Item 10)
Agata Maslowska, Auditor, PABV (Item 9)
Jillian Matthew, Senior Manager, PABV (Item 13)
Fiona Mitchell Knight, Audit Director, Audit Services Group (ASG) (Item 11)
Dave Richardson, Senior Audit Manager, ASG (Item 11)
David Sim, Benefits Auditor, ASG (Item 10)
Richard Smith, Audit Manager, ASG (Item 11)
Claire Sweeney, Audit Director, PABV. (Items 9 and 13)
Eva Thomas-Tudo, Senior Auditor, PABV (Item 11)
Fiona Watson, Audit Manager, PABV (Item 13)

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Decisions on taking business in private
4. Minutes of meeting of 7 February 2019
5. Minutes of Financial Audit and Assurance Committee of 21 February 2019
6. Minutes of Performance Audit Committee of 21 February 2019
7. Update report by the Secretary to the Commission
8. Update report by the Controller of Audit.
9. Briefing: public health
10. The future of housing benefit performance audit
11. Best Value Assurance Report – South Lanarkshire Council
12. Briefing: drug and alcohol services
13. Commission business matters

1. Apologies for absence

It was noted that Sophie Flemig, Sheila Gunn and Sharon O'Connor had submitted their apologies for absence.

2. Declarations of interest

The following declaration of interest was made:

- Geraldine Wooley, in items 7 and 16, as a member of the Scottish Housing and Property Chamber, in relation to references to housing matters.

3. Decisions on taking business in private

It was agreed that items 12 to 14 be considered in private because:

- Item 12 requires the Commission to consider actions in relation to the report presented in item 11.
- Item 13 is a briefing paper containing confidential policy matters for the Commission to consider.

No business was notified by members for item 14 and thus the Chair advised that the item would not require discussion.

4. Minutes of meeting of 7 February 2019

The minutes of the meeting of 7 February 2019 were approved as a correct record.

In discussion, the Commission noted advice from the Secretary:

- In relation to paragraph 10, that the joint work programme will be published on 26 March, but letters had already been sent to all of those who took part in the consultation exercise on the work programme proposals, advising them of the outcome of the consultation (and copies of these letters had been made available to members on the members' portal).
- In relation to paragraph 12, that the local government overview report would be published on 21 March 2019.

5. Minutes of Financial Audit and Assurance Committee meeting of 21 February 2019

The minutes of the meeting of 21 February 2019 were approved as a correct record.

6. Minutes of Performance Audit Committee meeting of 21 February 2019

The minutes of the meeting of 21 February 2019 were approved as a correct record, subject to the removal of Alan Campbell from the list of those present.

7. Update report by the Secretary to the 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.

Following discussion, the Commission noted the report.

8. Update report by Controller of Audit

The Commission noted a verbal update from the Controller of Audit on his recent activity.

The Commission noted in particular an updated position on ongoing dialogue with councils on the application of current statutory regulations to councils' repayments of their loans fund advances, on which the Controller advised he would share with members an Audit Scotland position statement on the matter which had been shared with COSLA, CIPFA Directors of Finance Section and the Scottish Government.

Action: Controller of Audit

9. Briefing: public health

The Commission considered a report by the Director of PABV introducing a briefing paper on public health reform in Scotland, as requested by the Commission and Auditor General in their work programme.

In discussion, the Commission agreed to note advice from the Director :

- In response to queries from Ronnie Hinds and Geraldine Wooley, that he would monitor the development of accountability arrangements for the proposed special health board Public Health Scotland and report back as appropriate.
- In response to a query from Graham Sharp, that public health implications of gambling would be considered as part of Audit Scotland's policy cluster monitoring work and reported accordingly to the Commission.

Actions: Director of PABV

Following discussion, the Commission:

- Noted the briefing.
- Noted that the Director and policy cluster for health, care and communities would continue to monitor the matter with a view to reviewing risk and its implications for any future performance audit work in this regard.

Action: Director of PABV

10. The future of housing benefit performance audit:

The Commission considered a report by the Director of Audit Services proposing an approach to housing benefit performance audit, based upon the Commission's previous discussions on the matter in December 2018 and subsequent discussions between the audit team and the Department of Work and Pensions.

Following discussion, the Commission agreed:

- The proposed new approach to housing benefit performance audit, including a programme of work for 2019/20 incorporating:
 - Two thematic reviews covering overpayments and resourcing models
 - Two reviews of individual councils.

Action: Director of Audit Services

- That the Secretary, Chair and Director discuss the appropriateness of having Commission sponsors for this work.

Action: Secretary and Director of Audit Services

11. Best Value Assurance Report: South Lanarkshire Council

The Commission considered a report by the Secretary to the Commission presenting the Controller of Audit's Best Value Assurance Report for South Lanarkshire Council.

Following questions to the Controller of Audit, the Commission agreed to consider in private how to proceed.

12. Best Value Assurance Report – South Lanarkshire Council (in private)

The Commission discussed how to proceed in relation to the Controller of Audit's Best Value Assurance Report for South Lanarkshire Council.

Following discussion, the Commission agreed to make findings, to be published on 28 March 2019.

Action: Secretary

13. Briefing: drug and alcohol services in Scotland: (in private)

The Commission considered a report by the Director of PABV introducing a briefing on drugs and alcohol services, as requested by the Commission and Auditor General in their work programme.

In discussion, the Commission agreed:

- That a future lunchtime guest speaker session feature practitioners in this policy area.

Action: Secretary

Following discussion, the Commission:

- Noted the briefing.
- Noted that the Director and policy cluster for health, care and communities would continue to monitor the matter with a view to reviewing risk and its implications for any future performance audit work in this regard.
- Agreed that the briefing be shared in discussions between Audit Scotland and appropriate stakeholders.
- Agreed that the Director consider appropriate forms of such discussions, including round table events involving Commission members.
- Agreed that the Director consider the appropriateness of responding to the UK Parliament's Scottish Affairs Committee's call for evidence in its inquiry on Use and Misuse of Drugs in Scotland inquiry, using the briefing as the basis for such a submission.

Action: Director of PABV

14. Commission business matters

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