

MEETING: 12 AUGUST 2021

MINUTES OF PREVIOUS MEETING

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Minutes of the 480<sup>th</sup> meeting of the Accounts Commission held via online meeting on Thursday 10 June 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)  
 Blyth Deans, Audit Manager, PABV (Item 13)  
 Natalie Goddard, Senior Auditor, PABV (Items 7 and 12)  
 Graeme Greenhill, Senior Manager, PABV (Items 7 and 12)  
 Brian Howarth, Audit Director, Audit Services (Item 13)  
 Martin McLauchlan, Audit Manager, PABV (Items 7 and 12)  
 Michael Wilkie, Director, KPMG (Items 7 and 12)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 13 May 2021
5. Minutes of meetings of Commission committees of 27 May 2021
6. Audit Scotland Board update
7. Best Value Assurance Report: Aberdeen City Council
8. Secretary's update report
9. Interim Chair's update report
10. Interim Controller of Audit report
11. Any other public business
12. Best Value Assurance Report: Aberdeen City Council (in private)
13. Local government financial overview 2020/21: scope (in private)
14. Accounts Commission Strategy (in private)
15. Best Value update (in private)
16. New audit appointments update (in private)
17. Commission meeting arrangements 2022 (in private)
18. Any other private business

### Introductory remarks: live streaming

The Interim Chair advised that this would be the first meeting of the Commission that would be streamed live via the internet. She indicated that the intention was to enhance the Commission's profile with the public, thus underlining its role of reporting to the public on the performance of Scottish local government.

#### 1. Apologies for absence

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

#### 2. Declarations of interest

The following declarations of interest were made:

- Andrew Cowie, in items 7 and 12, as a former Chief Officer of Police Scotland who worked in partnership with Aberdeen City Council. Mr Cowie removed himself from the meeting during consideration of these items.
- Christine Lester, in items 7 and 12, as a former Vice Chair of NHS Grampian Board and a member of North East Partnership Steering Group.

#### 3. Order of business

It was agreed that items 12 to 18 be considered in private because:

- Item 12 requires the Commission to consider actions in relation to a report by the Controller of Audit. The Commission is then obliged by statute to inform the appropriate council of its decisions, which the Commission does before making the decision public.
- Item 13 requires the Commission to discuss the scope of an overview report which may require consideration of confidential policy matters in advance of audit work and subsequent publication.
- Item 14 requires the Commission to consider a draft strategy document in advance of its publication, which may require consideration of confidential policy matters.
- Items 15 and 16 require the Commission to consider matters in relation to Best Value and new audit appointments process, which may require consideration of confidential commercial and contractual matters.
- Item 17 requires the Commission to consider meeting arrangements, which may include matters relating to the welfare or conditions of staff.
- Item 18 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.

#### 4. Minutes of meeting of 13 May 2021

The minutes of the meeting of 13 May 2021 were approved as a correct record.

Arising therefrom, the Commission noted advice from the Secretary:

- In relation to paragraph 10, fourth bullet point, that he had agreed with the Interim Chair and Interim Deputy Chair that the Associate Director Audit Quality and Appointments report to the Commission at its August meeting on her discussions with Audit Scotland on quality improvement actions.

- In relation to paragraph 11, that the Commission's annual report was published on 3 June.
- In relation to paragraph 16, that the Best Value Working Group had considered the legal advice obtained by the Commission in relation to the proposals for the evaluation of tenders, the outcome of which is reported under item 15 on this agenda.

5. Minutes of meetings of Commission committees of 27 May 2021

The minutes of the meetings of the Financial Audit and Assurance Committee (FAAC) and the Performance Audit Committee (PAC) of 27 May 2021 were approved as a correct record, subject to, in item 4 (fourth bullet point) of the minutes of the FAAC, removing the 'action' reference.

Arising therefrom, the Commission agreed the recommendations in the minutes, thus:

- In relation to item 6 of the FAAC minutes, to delegate to the Interim Chair, Interim Deputy Chair and past FAA Committee Chair to agree the terms of a response to the consultation by the UK Secretary of State for Business, Energy and Industrial Strategy on improving the UK's audit, corporate reporting and corporate governance systems in the private sector.

*Action: Secretary*

- In relation to item 7 of the FAAC minutes, that further thought be given to ensuring robustness of approach to engaging with the public.

*Action: Secretary*

- In relation to item 6 of the PAC minutes, that the Commission develop a contingency planning exercise around capacity and responsiveness.

*Action: Secretary*

6. 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 the Interim Deputy Chair, on the implications of Audit Scotland gaining 'one star' status in the Best Companies survey.

Following discussion, the Commission agreed to note the report.

7. Best Value Assurance Report: Aberdeen City Council

The Commission considered a report by the Secretary presenting the Interim Controller of Audit's Best Value Assurance Report for Aberdeen City Council.

The Commission raised several questions and points of clarification from the Interim Controller of Audit on his report in the following areas:

- The inclusion in the report of a new form of exhibit (i.e. Exhibit 1) (raised by Tim McKay)
- The involvement of young people in locality planning, e.g. in Case Study 4, including the application of human rights principles in this regard (Sophie Flemig and Geraldine Wooley)
- The implications of the Council's application to become Scotland's first

UNICEF Child Friendly City (Sophie Flemig)

- The performance of education services (Sharon O'Connor)
- The partnership approach to climate change (Sharon O'Connor)
- Workforce planning, capacity and skills (Geraldine Wooley)
- Digital strategy and digital exclusion (Tim McKay)
- Capital accounting and capital project management (Tim McKay)
- Child protection, particularly Case Study 3 (Stephen Moore)
- Revenue budget gaps, both for the Council and the Integration Joint Boards (Stephen Moore)
- The pace of improvement (Pauline Weetman)
- Community inequalities, including educational attainment (Pauline Weetman)
- Elected member leadership (Pauline Weetman)
- National benchmarking data (Pauline Weetman)
- Community empowerment and participatory budgeting (Andrew Burns)
- Reporting of performance (Sheila Gunn)
- The performance in housing services (Sheila Gunn)
- The Council's 'Target Operating Model' (Elma Murray).

Following discussion, the Commission agreed:

- To consider in private how to proceed, including the approach to the proposed case study (as referred to in paragraph 3 of the Secretary's report).
- That the Controller of Audit provide further information for members' interest on the points raised above by Geraldine Wooley (first bullet point) and Sophie Flemig (second bullet point: specifically the status of the Council's application to become Scotland's first UNICEF Child Friendly City ), and that these be published.

*Action: Controller of Audit & Secretary*

#### 8. Secretary's update report

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:

- In relation to paragraph 91, and further to a point made by Stephen Moore, agreed to reflect on how child poverty features in the next refresh of the work programme.

*Action: Director of PABV*

- In relation to paragraph 94, and further to a point made by Stephen Moore, agreed to reflect on how human rights considerations in public service redesign features in the next refresh of the work programme.

*Action: Director of PABV*

Following discussion, the Commission agreed:

- In relation to paragraph 12, that the Interim Chair, Interim Deputy Chair and past FAA Committee Chair prepare a response to the consultation by the Secretary of State for Business, Energy and Industrial Strategy on the UK's audit, corporate reporting and corporate governance systems in the private sector.

*Action: Secretary*

- In relation to paragraph 105, that the Secretary prepare a response in conjunction with the Interim Chair to the consultation by the Acting Ethical Standards Commissioner on his draft strategic plan for 2021-24.

*Action: Secretary*

- Noted the report.

9. Interim Chair's update report

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

10. Interim Controller of Audit report

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

11. Any other public business

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

The live stream of the meeting was stopped at this point.

12. Best Value Assurance Report: Aberdeen City Council (in private)

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

Following discussion, the Commission:

- Agreed that the points on which further information was to be provided by the Controller of Audit, noted in item 7 of this minute, were not material enough to affect the Commission's consideration of the action to take in respect of the Controller's report.
- Agreed accordingly to make findings, to be published on 24 June 2021.

*Action: Secretary*

- Agreed not to publish meantime the case study appended to the report, pending further discussion with Audit Scotland.

*Action: Secretary*

13. Local government financial overview 2020/21: scope (in private)

The Commission considered a report by the Interim Director of PABV seeking the

approval of the Commission on the proposed scope for the *Local government in Scotland: Financial overview 2020/21* report.

Following discussion, the Commission agreed to approve the scope of work for the *Local government in Scotland: Financial overview 2020/21* report, including the proposed audit scope leaflet for publishing, subject to the audit team reflecting with the sponsors on the points raised in discussion.

14. Accounts Commission Strategy (in private)

The Commission considered a report by the Secretary proposing a draft Commission Strategy for 2021-23.

Following discussion, the Commission agreed to defer consideration of the draft Commission Strategy, pending further consideration by the Secretary, in conjunction with the Interim Chair and Deputy Chair, of matters raised in discussion, with a view to the matter being discussed further at the Commission's Autumn Strategy Seminar.

*Action: Secretary*

15. Best Value update (in private)

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

The Commission noted the report, and in particular that the next meeting of the Best Value Working Group would take place in August.

16. New audit appointments update (in private)

The Commission noted a verbal update from the Interim Chair on the progress made in the New Audit Appointments project.

17. Commission meeting arrangements 2022

The Commission considered a report by the Secretary proposing meeting arrangements for the Commission for 2022.

During discussion, the Commission noted that it would consider further at a later date options for accommodating and conducting its meetings and of its committees, including a return to face-to-face meetings.

Following discussion, the Commission:

- Agreed the proposed schedule and arrangements for meetings of the Commission and its committees in 2022, subject to further discussion between the Interim Chair and Secretary on committee meeting dates.

*Action: Secretary*

- Agreed the following subject areas for the Insight programme:
  - Community wealth building
  - Early years' intervention: evaluation of the Big Noise programme.

*Action: Secretary*

18. 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 1.35pm.