

MEETING: 9 JUNE 2016

MINUTES OF PREVIOUS MEETING

Minutes of the 427th meeting of the Accounts Commission held in the offices of Audit Scotland at 102 West Port, Edinburgh, on Thursday, 12 May 2016, at 10.15am

PRESENT: Douglas Sinclair (Chair)
Ronnie Hinds (Deputy Chair)
Sandy Cumming
Sheila Gunn
Christine May
Stephen Moore
Alan Campbell
Pauline Weetman
Geraldine Wooley
Graham Sharp
Sophie Flemig
Tim McKay

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Martin Allan, Audit Officer, PABV [Item 14]
Angela Canning, Assistant Director, PABV [Item 14]
Antony Clark, Assistant Director, PABV [Item 12]
Angela Cullen, Assistant Director, PABV [Item 15]
Russell Frith, Assistant Auditor General, [Item 16]
John Gilchrist, Manager, Audit Strategy [Item 16]
Graeme Greenhill, Senior Manager, PABV [Items 13 and 15]
Ursula Lodge, Audit Manager, PABV [Item 13]
Mark McCabe, Senior Manager, PABV [Item 14]
Martin McLauchlan, Senior Auditor, PABV [Item 14]
Owen Smith, Senior Manager, Audit Strategy [Item 16]
Shelagh Stewart, Audit Manager, PABV [Item 15]

<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 14 April 2016
5.	Minutes of meeting of Financial Audit Assurance Committee 28 April 2016
6.	Minutes of meeting of Performance Audit Committee 28 April 2016
7.	Update report by the Secretary to the Accounts Commission
8.	Update report by the Controller of Audit
9.	Commission Annual Report 2015/16
10.	Draft Commission Strategy Update
11.	Commission Engagement Strategy Update
12.	Strategic Scrutiny Update
13.	Briefing: City Deals
14.	Local Government Overview Report: Initial impact of the 2016 report and approach for 2017
15.	Performance audit: draft report: Roads maintenance – follow-up
16.	Procurement of audits: appointments
17.	Commission business matters

1. Apologies for absence

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

2. Declarations of interest

Christine May declared an interest in items 9 and 10 as Vice-Chair of Fife Cultural Trust, in relation to references to arm's length external organisations.

3. Decisions on taking business in private

It was agreed that items 15 to 17 should be taken in private for the following reasons:

- Item 15 proposes a draft performance audit report, which the Commission is to consider and consult appropriately with stakeholders if necessary before publishing.
- Item 16 requires discussion of issues involving commercial confidentiality.

4. Minutes of meeting of 14 April 2016

The minutes of the meeting of 14 April 2016 were submitted and approved, subject to noting:

- In relation to item 6 (second bullet point), advice from the Secretary that the Commission's response to the Scottish Government consultation on the Scottish Household Survey was available on the members' extranet.
- In relation to item 8 (second bullet point, final sub-bullet), advice from the Director of PABV that the relatively light amount of scrutiny activity in November and December as shown in the National Scrutiny Plan was explained by the scheduling of other work throughout the rest of the year, and is not a regular occurrence.

5. Minutes of meeting of Financial Audit Assurance Committee 28 April 2016

The minutes of the meeting of the Financial Audit Assurance Committee of 28 April 2016 were submitted and approved.

6. Minutes of meeting of Performance Audit Committee 28 April 2016

The minutes of the meeting of the Performance Audit Committee of 28 April 2016 were submitted and approved, subject to noting advice from the Secretary, in relation to item 8, final bullet point, that the outputs from *How councils work – roles and relationships* would be considered by the Commission at its June or August meeting.

7. Update report by the Secretary to the Accounts Commission

The Commission considered a report by the Secretary to the Commission 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 agreed to note the report, subject to noting that, in paragraph 19, “Jim Logue” should read “Jim McCabe”.

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.

9. Commission Annual Report 2015/16

The Commission considered a report by the Secretary to the Commission proposing the publication of the Commission’s annual report 2015/16.

Following discussion, the Commission approved the 2015/16 annual report and associated publication arrangements, subject to revisions agreed in the discussion.

Action: Secretary

10. Draft Commission Strategy 2016-21

The Commission considered a report by the Secretary to the Commission proposing a Commission Strategy for 2016-21.

Following discussion, the Commission approved the Commission Strategy 2016-21 and associated publication arrangements, subject to revisions agreed in the discussion.

Action: Secretary

11. Commission Engagement Strategy 2016/17

The Commission considered a report by the Secretary to the Commission presenting a revised Commission Engagement Plan, to be known as the Commission’s Engagement Strategy 2016/17.

- Following discussion, the Commission approved the Commission’s Engagement Strategy 2016/17 and associated publication arrangements, subject to revisions agreed in the discussion.

Action: Secretary

12. Strategic Scrutiny Update

The Commission considered a report by the Director of PABV on the meeting of the Strategic Scrutiny Group (SSG) on 31 March 2016. It also incorporated a summary of the key early messages arising from the work of the SSG short-life working group on the role of external scrutiny in the 21st Century.

During discussion, the Commission:

- Noted that further updates will be presented to the Commission following future SSG meetings.
- Agreed that the report of the short-life working group include reference to issues around the costs and benefits of external scrutiny coordination.

Action: Director of PABV

Thereafter, the Commission noted the update report.

13. Briefing: City Deals

The Commission considered a report by the Director of PABV providing a briefing paper on City Deals.

During discussion, the Commission:

- Agreed that scoping for proposed future audit work on City Deals include consideration of its impact at an aggregate and national level.
- Agreed that the Director provide further information on the councils not currently involved in City Deals in Scotland.

Action: Director of PABV

Thereafter, the Commission noted the report.

14. Local Government Overview Report: Initial impact of the 2016 report and approach for 2017

The Commission considered a report by the Director of PABV providing a summary of the initial impact of the 2016 local government overview report. It also invited the Commission to consider the approach to the 2017 overview report, including the Commission's oversight of the process.

Martin McLauchlan and Martin Allan undertook a presentation on a new section of the Commission website allowing interactive analysis of council accounts information. During discussion, the Commission:

- Noted the impact of the 2016 overview report.
- Approved the proposed approach to the 2017 overview report.
- Agreed that further thought be given to how the Commission oversees the development of the report.
- Approved the proposals to better integrate overview planning and reporting with wider Commission strategic planning processes.
- Welcomed the new section of the Commission website allowing interactive analysis of council accounts information.

Actions: Secretary and Director of PABV

15. Performance audit: draft report: Roads maintenance – follow-up [in private]

The Commission considered a report by the Director of PABV seeking approval of the draft performance audit report, *Maintaining Scotland's roads: A follow-up report*, and of proposed arrangements for publication and promotion of the report.

Following discussion, the Commission agreed:

- To approve the draft report, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Alan Campbell and Christine May.
- To approve the publication and promotion arrangements for the report, including the Chair writing to all councils on publication of the report.
- That final sign-off of the new report to be delegated to the sponsors of the report in conjunction with the Auditor General.

Actions: Director of PABV

16. Procurement of audits: appointments [in private]

The Commission considered a report by the Assistant Auditor General making the final recommendations for the appointment of auditors to local government bodies for the 2016/17 to 2020/21 appointment period, following consultation on conflicts of interest with both audited bodies and the proposed appointed auditors.

Following discussion, the Commission:

- Approved the appointments of auditors to local government bodies in Scotland for the period 2016/17 to 2020/21, subject to noting that the appointments to Audit Services Group, Audit Scotland, should be regarded as appointments to Fiona Kordiak, Director of Audit Services.

Action: Assistant Auditor General

17. Commission business matters

There being no further business, the meeting was closed.