

MEETING: 6 OCTOBER 2016

MINUTES OF PREVIOUS MEETING

Minutes of the 430th meeting of the Accounts Commission held in the offices of Audit Scotland at 102 West Port, Edinburgh, on Thursday, 8 September 2016, at 10.15am

PRESENT: Douglas Sinclair (Chair)
Alan Campbell
Sandy Cumming
Sophie Flemig
Sheila Gunn
Ronnie Hinds
Christine May
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)
Antony Clark, Assistant Director, PABV [Items 13 and 14]
Kirsty Gibbons, Communications Adviser [Item 10]
Anne MacDonald, Senior Audit Manager, Audit Services Group [Items 11 and 12]
Ashleigh Madjitey, Auditor, PABV [Items 11 and 12]
Gordon Neill, Senior Manager, PABV [Items 11 and 12]
Ronnie Nicol, Assistant Director, PABV [Items 11 and 12]
Peter Worsdale, Audit Manager, PABV [Item 14]

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Decisions on taking business in private
4. Minutes of meeting of 11 August 2016
5. Minutes of meeting of Financial Audit and Assurance Committee 25 August 2016
6. Minutes of meeting of Audit Scotland Board of 2 June 2016
7. Update report by the Secretary to the Accounts Commission
8. Update report by the Controller of Audit
9. 2015/16 Monitoring Report on Equalities
10. Health and Social Care Animation Project
11. Audit of Best Value: Angus Council
12. Audit of Best Value: Angus Council
13. Strategic Scrutiny Group: update
14. Follow up work on How councils work: roles and relationships: are you getting it right?
15. Commission business matters

1. Apologies for absence

It was noted that apologies for absence had been received from Graham Sharp and Tim McKay.

2. Declarations of interest

The following declarations of interest were made:

- Sheila Gunn, in item 4, as a non-executive Director of the Wheatley Group, concerning its relationship with Glasgow City Council.
- Christine May, in item 16, 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 12 to 15 should be taken in private for the following reasons:

- 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 council in question of its decision, which the Commission does before making the decision public.
- Item 13 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 14 proposes a draft audit report, which the Commission is to consider and consult appropriately with stakeholders if necessary before publishing.
- Item 15 may be required if there are any confidential matters that require to be discussed outwith the public domain. The 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 11 August 2016

The minutes of the meeting of 11 August 2016 were approved, subject to:

- In relation to item 4, noting advice from the Chair that the Commission would host two events during November for council leaders and chief executives to present and discuss the new approach to auditing Best Value, to which all Commission members would be invited.
- In relation to item 9, agreeing that chairs and chief officers of health and social care integration joint boards be added to the list of guest speakers for committee days.

Action: Secretary

5. Minutes of meeting of Financial Audit and Assurance Committee 25 August 2016

The minutes of the meeting of the Financial Audit and Assurance Committee of 25 August 2016 were approved.

With reference to item 5, the Commission noted advice from the Secretary that the Chair and Deputy Chair had agreed that the Performance Audit Committee would provide oversight of the local government overview report.

6. Minutes of meeting of Audit Scotland Board 2 June 2016

The minutes of the meeting of the Audit Scotland Board of 2 June 2016 were submitted and noted.

It was agreed that future such papers be supplemented by information on any relevant current or updated Board business.

Action: Secretary

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.

During discussion, the Commission:

- Agreed, in relation to paragraph 12, in response to a query from Ronnie Hinds, that future reports include an update on relevant EU-related matters.

Action: Secretary

- Agreed, in relation to paragraphs 15 and 25, in response to a query from Geraldine Wooley, that the Controller of Audit considers issues around social housing costs.

Action: Controller of Audit

- Noted, in relation to paragraph 23, in response to a query from Christine May, advice from the Controller of Audit that he retains a watching brief on the situation with the schools estate in City of Edinburgh schools.
- Noted that, in relation to paragraph 30, first bullet, "Communist" should read "independent".
- Agreed that, in relation to paragraph 38, in response to a query from Ronnie Hinds, that the Wales Audit Office report 'The financial resilience of local authorities in Wales 2015' be brought to the attention of the local government overview team.

Action: Secretary

Following discussion, the Commission agreed to note the report.

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:

- Agreed that the Controller of Audit provide more information on the Scottish Welfare Fund.

Action: Secretary

- Noted the update.

9. 2015/16 Monitoring Report on Equalities

The Commission considered a report by the Secretary to the Commission presenting for information Audit Scotland's Equalities Update 2015/16.

During discussion, the Commission:

- Noted advice from the Secretary that he would be convening the Commission's working group on equalities to discuss current equalities issues, including the Scottish Government's intention to legislate for gender equality on public boards.
- Agreed that the Secretary raise with Audit Scotland's Diversity and Equalities Steering Group, of which he is a member, issues raised in discussion, namely:
 - o Comparisons with other public bodies.
 - o Recruitment data in relation to ethnicity.
 - o Career development and promotion data in relation to gender.
 - o Salary grade data in relation to training.
 - o Data in relation to transgender people.
 - o More sophisticated comparative data in relation to age bands.
 - o Scope for more independent review of progress against equality outcomes.
- Following discussion, the Commission noted the report.

Actions: Secretary

10. Health and Social Care Animation Project

The Commission considered a report by the Communications Manager, Audit Scotland, introducing a presentation by the Communications Adviser on an animation and accompanying webpage on Audit Scotland's health and social care work produced on behalf of the Accounts Commission and the Auditor General.

During discussion, the Commission:

- Noted the report and presentation.
- Agreed that the Secretary discuss with Audit Scotland future input from the Commission into such initiatives.

Action: Secretary

11. Audit of Best Value: Angus Council

The Commission considered a report by the Secretary to the Commission seeking its consideration of the Controller of Audit's report of the Best Value audit of Angus Council and seeking direction on how to proceed.

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

12. Audit of Best Value: Angus Council [in private]

The Commission discussed how to proceed in relation to the statutory report by the Controller of Audit on the audit of Best Value in Angus Council.

Following discussion, the Commission agreed:

- To make findings, to be published on 4 October 2016.
- As part of those findings, to note that it will maintain its interest in the progress made by the Council and that the Controller of Audit will continue to monitor progress through the annual audit process and in the new approach to auditing Best Value.

Actions: Controller of Audit and Secretary

13. Strategic Scrutiny Group: update [in private]

The Commission considered a report by the Director of PABV on the progress of the Strategic Scrutiny Group.

Following discussion, the Commission:

- noted that further updates on the progress of the Strategic Scrutiny Group will be brought to future Accounts Commission meetings
- noted the report.

Action: Director of PABV

14. Follow up work on *How councils work: roles and working relationships: are you getting it right?* [in private]

The Commission considered a report by the Director of PABV seeking the Commission's approval for the proposed outputs from the recent follow-up work on *How councils work: Roles and working relationships*.

Following discussion, the Commission:

- approved the proposed outputs, subject to the report team, in conjunction with the sponsors Douglas Sinclair and Tim McKay, addressing points raised in discussion.
- endorsed the ongoing work around promoting this and other support material to new and returning elected members following next year's local government elections.

Actions: Director of PABV and Secretary

15. Commission business matters

There being no further business, the meeting was closed.