

Minutes of Meeting of the
Accounts Commission held in the
offices of Audit Scotland, 110
George Street on Wednesday 13
April 2005 at 10.30am.

PRESENT: A MacNish (Chair)
A Alexander
J Baillie
A Leslie
I Low
P McKinlay
I Robertson

IN ATTENDANCE: R W Black, Auditor General (items 1 to7)
C Gardner, Deputy Auditor General and Controller of Audit
H Hall, Managing Director Audit Services
R Frith, Director of Audit Strategy (items 1 to 7)
D McGiffen, Director of Corporate Services (items 7 to 11)
W F Magee, Secretary

| <u>Item No</u> | <u>Subject</u> |
|----------------|---|
| 1. | Apologies |
| 2. | Minutes |
| 3. | Audit Committee |
| 4. | Financial Audit and Assurance Committee |
| 5. | Deputy Auditor General |
| 6. | Procurement Strategy |
| 7. | Audit Scotland Corporate Plan |
| 8. | Accounts Commission Targets 2005/6 |
| 9. | North Ayrshire Council Best Value Audit |
| 10. | Scottish Executive Scrutiny Review |
| 11. | Study Sponsors |

1. Apologies

Apologies for absence were intimated on behalf of Jean Couper, Ann Faulds, Keith Geddes and Mahendra Raj.

2. Minutes

The minutes of meetings of 9 and 16 March 2005 were submitted and approved.

3. Audit Committee

Alastair MacNish referred to the recent reception hosted in the Scottish Parliament building by the Convener of the Audit Committee to acknowledge the work of Audit Scotland, which Commission members had attended. The event was a welcome recognition of the work of Audit Scotland and the effectiveness of the public audit arrangements under devolution.

4. Financial Audit and Assurance Committee

The minutes of meeting of the Financial Audit and Assurance Committee of 23 March 2005 were submitted and noted and the recommendations contained therein were approved.

5. Deputy Auditor General

Caroline Gardner advised the Commission of recent developments in the Efficient Government Initiative, including the role to be played by Audit Scotland, and the Commission noted the position.

6. Procurement Strategy

There was submitted a report by the Director of Audit Strategy on developing a procurement strategy which dealt with the issues relating to the audit appointments which will need to be made in early 2006. The report described the background to the issues, the aims of a procurement strategy, alternative business models and the issues in completing a strategy. Russell Frith introduced a discussion of the issues and Robert Black outlined his vision for the Auditor General audits. In discussion a number of points were made –

- The need for providers to specialise by sector is recognised
- The associated risk of losing a strategic overview can be addressed by increased partnership working
- The current overall allocation of work between Audit Scotland and other providers is likely to remain the same
- Providers must demonstrate a high level of commitment to public sector audit work
- The needs of the Commission and the Auditor General for greater consistency can be met by better specification.

Thereafter the Commission accepted the general direction towards a procurement strategy as outlined in the report and discussions and agreed that the procurement process on behalf of the Commission should be carried forward by the Financial Audit and Assurance Committee.

7. Audit Scotland Corporate Plan

Alan Alexander declared an interest in respect of his Chairmanship of Scottish Water whose audit comes within the ambit of the Auditor General and Audit Scotland.

There was submitted a report by the Director of Corporate Services introducing the Corporate Plan for Audit Scotland which had been considered by the Audit Scotland Board. The Commission was invited to consider the Plan against its strategic objectives to enable it to be taken forward to the Scottish Commission for Public Audit. In discussion reference was made to a number of areas in which the language of the Plan could be clarified. Thereafter the Commission agreed that the Plan was appropriate to deliver the Commission's objectives.

8. Accounts Commission Targets 2005/6

There was submitted a report by the Secretary referring to the Commission's strategy, a copy of which accompanied the report, and the need for the Commission to agree annual targets for 2005/6. The report referred to the current targets for the Commission and proposed targets as suggested by Isabelle Low. In discussion a number of points were made –

- It is important to move towards increased measurement of the impact of the Commission's work
- There are issues about setting targets which relate to the performance of other bodies
- The measurements to be adopted should ensure that process measures are not used as qualitative measures.

Thereafter the Commission agreed to remit to Isabelle Low and John Baillie to finalise the details of the Commission's targets for 2005/6 in the light of the discussion.

9. North Ayrshire Council Best Value Audit

There was submitted a report by the Secretary advising of North Ayrshire Council's response to the findings of the Commission on the Best Value audit report. A copy of the Council's response and Improvement Plan accompanied the report. After discussion the Commission agreed –

- i. to note the response of North Ayrshire Council to the Commission's findings;
- ii. to appoint Alastair MacNish, Alan Alexander and Ann Faulds to meet representatives of the Council informally; and
- iii. to ask Commission members to advise the Secretary separately of any issues which should be raised with the Council in the informal discussion.

10. Scottish Executive Scrutiny Review

There was submitted a report by the Secretary advising the Commission of a review of the effectiveness of scrutiny functions being undertaken by the Scottish Executive as part of the Efficient Government Initiative. The Commission noted the report.

11. Study Sponsors

The Commission agreed that Ann Faulds and Mahendra Raj should be nominated as the Commission sponsors of the Waste Management study.