

Minutes of Meeting of the
Accounts Commission held in the
offices of Audit Scotland, 110
George Street on Wednesday 15
June 2005 at 10.30am

PRESENT: A MacNish (Chair)
A Alexander
J Baillie
A Faulds
K Geddes
A Leslie
I Low
P McKinlay
M Raj
I Robertson

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit
H Hall, Managing Director Audit Services
D Pia, Director of Performance Audit (Local Government)
R Nicol, Assistant Director of Performance Audit (items 1 to 10)
N Bamforth, Assistant Director of Performance Audit
W F Magee, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Minutes
3.	Best Value Audit of Inverclyde Council
4.	Legal Issues in Commission Findings
5.	Best Value Audit of North Ayrshire Council
6.	ACPOS
7.	Chairman's Introduction
8.	Deputy Auditor General
9.	Managing Director of Audit Services
10.	Best Value Audit of West Lothian Council
11.	Statutory Performance Indicators – Consultation on 2005 Direction
12.	Fire and Rescue Services – Follow up Proposals
13.	Accounts Commission Annual Report
14.	Accounts Commission Targets
15.	Future Meetings

1. Apologies

Apologies for absence were intimated on behalf of Jean Couper.

2. Minutes

The minutes of meetings of 4 and 11 May 2005 were submitted and approved.

3. Best Value Audit of Inverclyde Council

With reference to the minutes of meeting of 4 May 2005 Isabelle Low referred to –

- The publication of the Commission's findings on the Inverclyde Council Best Value report
- The response by the Council, COSLA, the Scottish Executive, the media and others
- Discussions held with Council representatives on 9 June 2005.

A note summarising the discussions with Council representatives was circulated. The Commission noted the position.

4. Legal Issues in Commission Findings

There was submitted a report by the Secretary bringing to the attention of the Commission certain legal issues arising from the findings on the Inverclyde Best Value audit report. During consideration of those issues Senior Counsel was consulted and a copy of his note accompanied the Secretary's report. The Commission noted that no change in the Commission's approach to the preparation of such reports was recommended but agreed to emphasise the importance of continuing to cross-reference the Commission's findings to explicit statements in the Controller of Audit's report.

5. Best Value Audit of North Ayrshire Council

Alastair MacNish referred to the meeting on 2 June 2005 with representatives of North Ayrshire Council to follow up on the Commission's findings on the Best Value audit report of that Council. A note summarising the discussions was circulated and noted.

6. ACPOS

Alastair MacNish referred to recent discussions which he and representatives of Audit Scotland held with office bearers of the Association of Chief Police Officers in Scotland (ACPOS). The discussions had covered a number of topics including –

- Performance management
- Targets
- Reported crime
- SPIs
- Best Value
- Call management study
- Efficient Government
- Future liaison.

A note summarising the discussions was circulated. The Commission noted the position.

7. Chairman's Introduction

Alastair MacNish referred to a number of matters of current interest including his recent appearances before the Audit Committee and the Local Government and Transport Committee of the Scottish Parliament for the annual update of those Committees on the Commission's activities, largely based on the findings of the Overview Report and the Best Value audits to date. The Commission noted the position.

8. Deputy Auditor General

Caroline Gardner advised the Commission of a number of recent developments including –

- Further correspondence and discussions with the Scottish Executive on the framework for any audit activity connected with the Efficient Government Initiative
- Her recent appearance before the Finance Committee of the Scottish Parliament to give evidence on the Efficient Government Initiative
- Her intention to circulate a further paper on the subject of the Efficient Government Initiative later in the summer.

The Commission noted the position.

9. Managing Director of Audit Services

Hugh Hall advised the Commission of a number of recent developments –

- Discussions with the National Audit Office and the Audit Commission on matters of common interest
- The response of local authorities to the Efficient Government Initiative
- Issues emerging from the local authority accounts which are now coming in.

The Commission noted the position.

10. Best Value Audit of West Lothian Council

There was submitted a report by the Secretary introducing the Controller of Audit's report on the Best Value audit of West Lothian Council. The Controller of Audit's report was made to the Commission under section 102(1)(c) of the Local Government (Scotland) Act 1973.

The Controller of Audit and Performance Audit staff answered questions by Commission members. Following extensive discussion the Commission made findings on the report contained in Appendix 1 to this minute.

11. Statutory Performance Indicators – Consultation on 2005 Direction

There was submitted a report by the Director of Performance Audit (Local Government) introducing the draft consultation paper for the 2005 Direction on statutory Performance Indicators. The draft consultation paper was attached to the report.

The report advised the Commission on its obligation to consult before issuing its annual Direction on the information which local authorities need to report to local communities about the performance of their services. The Commission's intention is to review the overall approach to SPIs in the light of the evidence from audits of Best Value and the results of the study of Community Planning currently under way. The Commission also wishes to maintain its approach to SPIs in the meantime and to seek improvements through a programme of work which was set out in the introductory paragraphs of the draft consultation paper. The paper contained proposals for changes, deletion and introduction of indicators and the Director's report drew attention to some specific issues for consideration.

In discussion a number of detailed points were raised concerning the drafting of the consultation paper. Thereafter, and subject to those adjustments, the Commission agreed –

- i. that Indicator ASW2: qualifications of staff in care homes should not be proposed for deletion in the consultation paper, and
- ii. to otherwise approve the paper for consultation subject to the above mentioned adjustments.

12. Fire and Rescue Services – Follow up Proposals

There was submitted a report by the Director of Performance Audit (Local Government) outlining proposals to follow up previous studies on the progress of Modernisation in the Scottish Fire and Rescue Services. The report proposed that a summary of information on progress in the Scottish Fire and Rescue Services should be submitted to the Commission in autumn 2005. A major review of the Scottish Fire and Rescue authorities through 2006 would allow the publication of a national report in November 2006.

After discussion the Commission agreed to approve the Director's proposals to report to the Commission in autumn 2005 on the continued progress of changes in Fire and Rescue Services, accepting that a decision on whether or not to publish those results can be made at the time. The Commission also approved the conduct of a fuller review in 2006 of the outcomes of modernisation in this service.

13. Accounts Commission Annual Report

There was submitted a report by the Secretary advising that a new approach to annual reporting is proposed in the current year when separate reports will be published on behalf of Audit Scotland, the Auditor General and the Accounts Commission. A draft of an annual report by the Accounts Commission accompanied the Secretary's report. In discussion of the draft a number of points were made –

- The Commission's performance set against its targets should be incorporated into each of the separate sections
- Where possible, comparison with previous years should be shown
- Some of the summaries of VFM reports should be adjusted
- The introduction should contain a reference to COSLA.

Thereafter the Commission agreed to remit to the Secretary to arrange for the publication and circulation of the final form of the report in consultation with the Chair.

14. Accounts Commission Targets

With reference to paragraph 8 of the minutes of meeting of 13 April 2005 there was circulated a note of revised targets for the Accounts Commission which had been adjusted in discussion between Isabelle Low and John Baillie. The Commission agreed to adopt the targets contained in Appendix 2 to this minute.

15. Future Meetings

The Commission agreed that the additional meeting to consider Best Value reports scheduled for Wednesday 21 September 2005 should commence at 2pm.

ACCOUNTS COMMISSION FOR SCOTLAND
BEST VALUE REPORT ON WEST LoTHIAN COUNCIL
DRAFT COMMISSION FINDINGS

1. The Commission accepts this report on the performance of West Lothian Council's statutory duty to secure Best Value and to initiate and facilitate the Community Planning process. The Commission recognises that the report gives a broad picture of the Council's performance based on the work of Audit Scotland and the findings of other scrutiny bodies such as Inspectorates and that it does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the Council.
2. The Commission recognises the evidence in this report of good practice and a strong commitment to improvement in this council. West Lothian has faced a number of adverse demographic and economic circumstances but the Council has shown itself to be effective in responding to change in its environment. The particular aspects of West Lothian Council which the Commission welcomes include –
 - It has a clear and ambitious strategic vision for its area and through effective business planning this is transmitted into successful service delivery;
 - It has a positive organisational culture that is firmly focused on improving services for the people who use them;
 - It has an open culture and places great value on the contribution of its staff in improving services;
 - It learns from good practice both internally and externally and applies it across the range of council activities, for example through the West Lothian Assessment Model which was developed from the housing service.
3. The Council understands that Best Value is about a continuous drive for improvement and has set out an agenda for this purpose. The Commission will be particularly interested to see improvement in these areas –
 - Development of the role elected members should play in scrutinising service performance;
 - Better performance information to underpin management and scrutiny processes
 - Year on year targets
 - More balanced public performance reporting that highlights areas in need of improvement as well as the council's successes.
4. The Commission looks forward to receiving by 30 September 2005, an Improvement Plan from West Lothian Council that responds to the audit report and these Findings. In view of the positive nature of the report, the Commission does not expect that a further comprehensive Best Value audit will be required in West Lothian Council for a period of four years.

Strategic objective	Strategic goal	Target	Measured by
1. An effective independent financial audit and assurance programme	Accurate, clear and unambiguous reports for audited bodies and other stakeholders	1.1 A well-planned, well-delivered programme of reports on individual audited bodies	Delivery as against timetable, and stakeholder response whilst preserving independence
		1.2 Overview report highlights the strengths and weaknesses in internal controls and governance; and the material risks in comparison with previous years	Media coverage and stakeholder response
		1.3 Audit quality reviewed to secure best value, to include more time-efficient methods and approaches to work	Part of outcome of quality assurance review
		1.4 Successful procurement process	Outcome of procurement process and achievement of other targets
2. The effective introduction of the Best Value audit programme	Successful first cycle and lessons learned for the future, both about the process and about real improvements in service delivery	2.1 Best value audit programme delivered on time	Performance reflects plan
		2.2 Stakeholders recognise accuracy and value of outputs	Stakeholder response
		2.3 Audits result in well-focused improvement plans likely to deliver progress	Assessment of improvement plans
		2.4 Lessons implemented for future audits	Fine-tuning of subsequent arrangements

Strategic objective	Strategic goal	Target	Measured by
3. An effective performance audit programme	More joined up reporting with more direct impact	3.1 Improved publicity for outputs in current study programme	Media coverage and stakeholder response
		3.2 Impact of previous study programme assessed and lessons learned	Changes to date resulting from outputs in 2002-3 compared with plan
		3.3 Improvements in impact from future study programme	Improved scoring re criteria; and stakeholder response
4. The effective publication of performance information	Improved content, driving change and more accessible to the public	4.1 Improved performance overall	SPI data for 2004-05
		4.2 Improved and fairer publicity for outputs	Media coverage and stakeholder response
		4.3 Reduced burden on councils	Stakeholder response
		4.4 Improved accessibility for stakeholders	Stakeholder response
5. Good corporate governance of the Accounts Commission	Full compliance with best practice	5.1 Audit Scotland held to account for delivery	Commission scrutiny of quarterly performance information
		5.2 Members have performance assessed	Forward objectives and appraisals
		5.3 Improvement in cohesion and effectiveness	Annual review of corporate effectiveness