

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

PRESENT: A MacNish (Chair)
J Couper
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 6 and 7)
W F Magee, Secretary

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Minutes
3.	Chairman's Introduction
4.	Deputy Auditor General
5.	Managing Director of Audit Services
6.	Best Value Audit of Inverclyde Council
7.	Best Value Audit of Shetland Islands Council
8.	Best Value Audit of Stirling Council
9.	The Audit of Best Value
10.	Audit Commission Activities
11.	Audit Scotland Finance and Performance Information
12.	Future Meetings

1. Apologies

Apologies for absence were intimated on behalf of Alan Alexander and John Baillie.

2. Minutes

The minutes of meeting of 15 June 2005 were submitted and approved subject to changing “objectives” to “targets” in the first bullet point in paragraph 13.

3. Chairman's Introduction

Alastair MacNish referred to a number of matters of current interest including the forthcoming visit to Shetland Islands Council to discuss the outcome of their Best Value audit report.

4. Deputy Auditor General

Caroline Gardner advised the Commission of a number of recent developments including the making by Scottish Ministers of a Direction to local authorities requiring them to have regard to the guidance on Following the Public Pound issued jointly by the Commission and COSLA. The Commission noted the position.

5. Managing Director of Audit Services

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

- The programme for the completion of work on the audit of local authority accounts by the Audit Services Group is on target
- It is intended that final reports on the audits by the Audit Services Group will be submitted earlier than previously
- There are issues around the preparation of group accounts relating to local authorities, with particular implications for Following the Public Pound.

The Commission noted the position.

6. Best Value Audit of Inverclyde Council

There was submitted a report by the Secretary referring to the Commission's findings on the Best Value report on Inverclyde Council and enclosing a copy of the Council's formal response together with the proposed press advertisement summarising that response. The Commission agreed –

- i. to note the Council's response as submitted, and
- ii. to approve the draft press advertisement as submitted by the Council.

7. Best Value Audit of Shetland Islands Council

There was submitted a letter from Shetland Islands Council enclosing a copy of that Council's Corporate Improvement Plan which had been discussed in public at a special meeting of the Shetland Islands Council called to consider the Best Value audit report and Commission findings. The Commission noted the Improvement Plan.

8. Best Value Audit of Stirling Council

With reference to paragraph 6 of the minutes of meeting of 11 May 2005 there was submitted a revised draft public notice prepared by Stirling Council and summarising that Council's response to the Best Value audit report and findings of the Commission. The Commission agreed to approve the public notice for publication by Stirling Council.

9. The Audit of Best Value

There was submitted a report by the Deputy Auditor General giving the Commission an update on the audit of Best Value programme and development of the audit process. The report dealt with the background to the audit, overall progress to date and future development. It also set out a number of issues for consideration by the Commission. After discussion the Commission agreed –

- i. that a briefing be given to a future meeting of the Commission to enable Commission members to expand their understanding of the work done to complete an audit;
- ii. that the briefing should also cover the way in which material provided by Inspectors and other scrutiny bodies is used in the Best Value audit;
- iii. that the role played by individual members linked to each audit is important but needs to be clarified and a draft protocol for the conduct of this role should be developed;
- iv. that an early paper be brought to the Commission on options for the Best Value audit in police, and that further consideration be given to the development of the audit in the fire service at a later stage;
- v. that national meetings should be held with police authorities and with fire authorities at the appropriate times to discuss the future development of the Best Value audit affecting them, on a similar basis to the meetings which were held with council leaders and chief executives during the development of the Best Value audit for councils;
- vi. that there should be a review of the progress of the Best Value audits covering audit methods and content, reporting guidelines and style, and the impact of the audit on stakeholders. This would be an appropriate topic for inclusion in the Commission's Strategy Seminar to take place early in 2006 with a view to a more extensive review at the end of the first cycle in 2007, perhaps involving an external element;
- vii. that each member should be asked to express a preference for a method of gaining access to guidance and other supporting material on Best Value which has been issued, mainly by the Scottish Executive;
- viii. that follow-up meetings with Councils should be arranged at earlier dates, if possible shortly after the publication of the report and findings.

10. Audit Commission Activities

There was submitted a report by the Portfolio Manager (Education and Children's Services) in Performance Audit advising the Accounts Commission about the work of

the Audit Commission in England. The intention was to produce such a report every six months for the information of Commission members. The report covered –

- The role of the Audit Commission
- The Audit Commission Strategic Plan (2005-07)
- Audit Commission activities for 2005-06, including their proposed programme of studies.

The Commission welcomed the report and noted its contents.

11. Audit Scotland Finance and Performance Information

There was submitted a report by the Director of Corporate Services containing financial and performance information for Audit Scotland to 31 March 2005. In discussion reference was made to one particular issue which covers correspondence from ten individuals. Thereafter the Commission noted the report.

12. Future Meetings

There was submitted a report by the Secretary inviting the Commission to fix a forward programme of meetings for the remainder of 2005. After discussion the Commission agreed that the Secretary should consult further and thereafter circulate a note of the proposed dates of meetings.