

Minutes of the meeting of the Accounts  
Commission held in the Offices of Audit  
Scotland, 110 George Street, Edinburgh  
on Wednesday 17 January 2007 at  
10.30 am

PRESENT: A MacNish (Chair)  
A Alexander  
J Baillie  
O Clarke  
J Couper  
A Faulds  
A Leslie  
I Low  
M Raj  
I Robertson

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit  
D Pia, Director of Public Reporting (Local Government)  
F Kordiak, Acting Director of Audit Services (Local Government)  
W F Magee, Secretary  
N Bridle, Assistant Director of Public Reporting (item 6)  
M Walker, Portfolio Manager (Best Value) (item 6)

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Membership
3.	Minutes
4.	Chair's Introduction
5.	Deputy Auditor General
6.	Best Value Audit of Inverclyde Council
7.	Publication of Best Value Audit Reports
8.	Ministerial Visit
9.	Future Meetings

1. Apologies

Apologies for absence were intimated on behalf of Keith Geddes.

2. Membership

The Secretary reported that the Minister for Finance and Public Service Reform has appointed members of the Commission as follows –

Douglas Sinclair from 1 February 2007 until 30 September 2009  
Michael Docherty from 1 October 2007 until 30 September 2010

The Commission noted the position.

3. Minutes

The minutes of meeting of 29 and 30 November, 5 and 13 December 2006 were submitted and approved.

4. Chair's Introduction

The Chair referred to a number of matters of current interest including –

- A recent visit by members of the Public Accounts Committee of the Irish Parliament and the Irish Auditor General for discussions on public audit arrangements
- An invitation to give evidence to the Audit Committee of the Scottish Parliament on the annual overview report.

5. Deputy Auditor General

Caroline Gardner advised the Commission of a number of matters of current interest including –

- A forthcoming report to the Commission on arrangements for the follow-up audit in West Dunbartonshire Council
- An invitation to the Auditor General to give evidence to the Scottish Parliament's Finance Committee on his report on Efficient Government
- An invitation to Audit Scotland to give evidence to the Scottish Parliament's Education Committee on the report on A Teaching Profession for the 21<sup>st</sup> Century.

6. Best Value Audit of Inverclyde Council

There was submitted a report by the Secretary introducing the Controller of Audit's progress report on the Best Value audit of Inverclyde 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 answered questions from members. Thereafter the Commission agreed to make findings as contained in the Appendix to these minutes.

7. Publication of Best Value Audit Reports

There was submitted a report by the Secretary drawing the Commission's attention to questions about the process for publishing Best Value audit reports. The report

outlined the present practice in making available the Controller of Audit's report followed by publication of the Commission's findings. Because of the statutory provisions which require councils to make available to the public copies of the Controller of Audit's reports there are a number of issues about how and when Audit Scotland makes those reports available to the media and others. After discussion the Commission expressed a preference for continuing the current practice in this matter provided steps are taken to emphasise the procedural aspects to chief executives at an earlier stage.

#### 8. Ministerial Visit

Mr Tom McCabe MSP, Minister for Finance and Public Service Reform joined the Commission for a discussion on matters of common interest. As well as being the Minister with responsibility for Finance and Local Government, Mr McCabe's department is the sponsor for the Commission as a non-departmental public body. Discussion with the Minister covered the following areas –

- Best Value audits to date, significant lessons emerging from the audits and the current review by the Commission of the Best Value audit process
- The criteria adopted by the Commission for selecting study topics and some issues relating to forthcoming studies
- The development of a performance management framework for local government and its relationship to statutory performance indicators
- The modernised audit process with particular reference to the risk based approach
- The Crerar Review of Scrutiny of Public Services
- Possible future developments in Scottish local government.

The Chair thanked the Minister for the opportunity to exchange views in an open and informal way.

#### 9. Future Meetings

The Commission agreed to hold an additional meeting on Wednesday 31 January 2007 to consider a Best Value audit report.

## **PROGRESS REPORT ON THE AUDIT OF BEST VALUE AND COMMUNITY PLANNING AT INVERCLYDE COUNCIL**

### **COMMISSION FINDINGS**

In June 2006 the Commission required the Controller of Audit to make a statutory report on the Council's progress as at 31 October 2006 in addressing the issues raised in previous reports on the audit of Best Value and Community Planning and we accept this report as fulfilling that requirement. The Commission recognises that the report gives a broad picture of the Council's performance based on the work of Audit Scotland and 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.

The Commission accepts the conclusion of the report that Inverclyde Council is moving in the right direction and there is a clear commitment and enthusiasm to improve. In particular we acknowledge that the Council has –

- Appointed a new Chief Executive
- Established a new management structure
- Appointed a Corporate Management Team
- Established some new political management arrangements
- Seen an improvement in member/officer relations.

We recognise that much of the activity in the recovery period has necessarily focused on matters of governance, structures and management processes and has not yet flowed through to service improvement. The task for the Council is now to embed its new structures and arrangements and concentrate on key priorities so that it can realise the benefits of improved performance in respect of its services. Improved outcomes for service users is the principal objective of the Best Value regime.

The Commission requires a further report by the Controller of Audit on progress as at 30 June 2008, in the expectation that the report will be based on the normal external audit work in the Council supplemented by input from the Best Value audit team.