

Minutes of the meeting of the Accounts
Commission held in the Offices of Audit
Scotland, 110 George Street, Edinburgh
on Wednesday 24 January 2007 at
10.30 am

PRESENT: A MacNish (Chair)
A Alexander
J Couper
A Faulds
K Geddes
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
G Smail, Senior Manager, Public Reporting (item 2)
S Pollock, Project Manager, Public Reporting (item 3)
R Seidel, Project Officer, Public Reporting (item 3)

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Overview of the Local Authority Audits 2006
3.	Review of Service Reform in Scottish Fire and Rescue Authorities

1. Apologies

Apologies for absence were intimated on behalf of John Baillie and Owen Clarke. The Commission agreed to send their best wishes to Owen Clarke for a speedy recovery following his recent surgery.

2. Overview of the Local Authority Audits 2006

There was submitted a report by the Secretary introducing the Controller of Audit's report on issues arising from the audits of local authorities in 2006. The Controller of Audit's report was made to the Commission under section 102(1) 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.

3. Review of Service Reform in Scottish Fire and Rescue Authorities

There was submitted a report by the Director of Public Reporting (Local Government) introducing a draft national report of the performance audit of Scottish Fire and Rescue authorities. Alastair MacNish declared an interest in the report in respect of his membership of the Ministerial Advisory Group on Fire and Rescue Services. The Director's report referred to discussion of the key findings of the study by the Performance Audit Committee in December 2006 and proposed that the draft national report which accompanied his paper be approved for publication.

In discussion a number of points were made –

- The points made in the report about the general financial context and the impact of pension payments on the budgets of Fire and Rescue authorities should be highlighted in the summary
- The summary of recommendations should be consolidated into the body of the report rather than attached as an Appendix
- Greater emphasis should be given to equal opportunities in the discussion of areas where progress is needed.

Thereafter the Commission agreed –

- i. to welcome the draft report;
- ii. to request that the draft be adjusted in the light of comments made in the course of the discussion; and
- iii. to approve the report for publication subject to the above mentioned adjustments.

ACCOUNTS COMMISSION FOR SCOTLAND
OVERVIEW OF THE LOCAL AUTHORITY AUDITS 2006

FINDINGS

1. This report shows that Scottish councils are making improvements in areas which have been the concern of the Commission, including –
 - A substantial improvement in accountability and transparency in respect of reserves, where all 32 councils now have policies in place which set out why reserves are held and their intended use
 - Improvement in collecting council tax. In 2005/6 the proportion of council tax collected for that year during the year exceeded 93% for the first time
 - Increased recycling of waste, up from 17.6% to 24.7% against a target of 25%
 - Improving trends in flexible home care services
 - A general picture of improved performance shown by the statutory performance indicators .
2. The general context for the performance of Scottish councils is one of major challenges which we highlighted in our findings on the overview last year. Those challenges are, if anything, more intense, particularly in relation to –
 - Pressure from the drive for public sector reform and modernisation and for efficiencies
 - Changes in Scotland's population, with implications for individual services
 - Changes in the make-up of councils at elected member and senior officer level likely to arise following the elections in May 2007
 - The call for new ways of working, particularly in shared services with other public bodies and in planning and delivering services with partners
 - Pressures on budgets
3. If councils are to meet these challenges effectively they need to increase their focus on a number of key areas which will give them the essential tools to continually improve services -
 - Developing the strategic contribution of elected members consistent with Best Value principles
 - Enhancing governance arrangements, including scrutiny. There is a need to address the particular requirements of good governance in Community Planning
 - Significantly improving their performance management regimes, starting with better performance information. There is also scope for improvement in risk management, procurement and asset management.
4. There is an urgent requirement to consider arrangements for conducting the business of councils following the elections in May 2007 so that the impetus for improvement does not falter. We see improved training and development for elected members as a vital component of these arrangements.

5. Local authorities need to operate within an improved performance management framework and we look forward to the outcome of the work being led by the Scottish Executive in this area.
6. Overall financial management in Scottish local government is sound and there is evidence that concerns previously expressed by the Commission are being addressed. Councils, must, however, increase the impetus for improvement if they are to meet the significant and immediate challenges which they face.