

Minutes of the meeting of the Accounts
Commission held in the offices of Audit
Scotland, 110 George Street, Edinburgh
on Wednesday 4 July 2007 at 10.30am.

PRESENT: A MacNish (Chair)
A Alexander
O Clarke
J Couper
M Docherty
A Faulds
K Geddes
I Low
M Raj
I Robertson
D Sinclair

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit
D Pia, Director of Public Reporting (Local Government)
L Bradley, Director of Audit Services (Local Government)
W F Magee, Secretary
A McCubbin, Communications Officer
N Bridle, Assistant Director of Public Reporting (Best Value) (item 6)
M Walker, Portfolio Manager (Best Value) (item 6)
M Diffley, Portfolio Manager Public Reporting (item 8)
J Lincoln, Project Manager Public Reporting (item 8)
G Smail, Portfolio Manager Public Reporting (item 9)

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Minutes
3.	Chair's Introduction
4.	Deputy Auditor General
5.	Review of Best Value Audit
6.	Best Value Audit of Moray Council
7.	Best Value Audit of West Dunbartonshire Council
8.	Sustainable Waste Management
9.	Current Issues from the Audits

1. Apologies

Apologies for absence were intimated on behalf of John Baillie.

2. Minutes

The minutes of meeting of 20 June 2007 were submitted and approved subject to the insertion of the following at the beginning of paragraph 8 –

Douglas Sinclair declared an interest in this item of business in respect of his membership of the Advisory Panel to the Review.

3. Chair's Introduction

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

- His correspondence with Sir Charles Gray and Audrey Findlay congratulating them on their inclusion in the recent Honours List
- His attendance at the Cabinet event for public sector representatives held on 26 June.

4. Deputy Auditor General

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

- The number of local authority accounts submitted by the statutory deadline of 30 June
- Recent conversations with civil servants and other stakeholders on the development of the Performance Management Framework for Local Government
- Changes in senior management in the Best Value audit team.

5. Review of Best Value Audit

With reference to paragraph 7 of the minutes of meeting of 20 June 2007 there was submitted a draft public statement on the Best Value audit review and a proposed timeline for the next stages of the review. A further draft of the statement was circulated at the meeting. In discussion a number of minor adjustments to the text were agreed and thereafter the Commission approved the statement and timeline as circulated.

6. Best Value Audit of Moray Council

Jean Couper declared an interest in this item of business.

There was submitted a report by the Secretary introducing the Controller of Audit's report on the follow-up to the Best Value audit in Moray Council. The report was made by the Controller of Audit under section 102 of the Local Government (Scotland) Act 1973. The Controller of Audit and members of the Best Value audit team answered questions by the members of the Commission. Thereafter the Commission made findings as contained in the Appendix to these minutes.

7. Best Value Audit of West Dunbartonshire Council

Jean Couper and Michael Docherty declared an interest in this item of business.

There was submitted a note of a meeting held on 9 May 2007 of some of the members who had been involved in the hearing into the Best Value audit report on West Dunbartonshire Council. The note outlined a number of general issues for consideration at any similar future event. The Commission noted the position.

8. Sustainable Waste Management

There was submitted a report by the Director of Public Reporting (Local Government) referring to previous consideration by the Performance Audit Committee of key findings of the study on sustainable waste management carried out jointly with the Auditor General. A draft of the final report of the study accompanied the report. In discussion a number of points were made –

- There is potential confusion between references to management capacity and organisational capacity
- There is a need to offer a challenge on the question of resources
- There is a question about Best Value in respect of current spending in this area
- There are significant unexplained variations in performance
- Stronger guidance should be given on the question of market testing
- This is a cost sensitive issue
- It is important that the Key Findings section of the report is succinct.

Thereafter the Commission agreed:

- i. that a further draft of the final report taking into account the above comments should be submitted for consideration of the Commission, if possible at its meeting on 8 August;
- ii. that a paper on the structure, style and format of reports should be brought to the Performance Audit Committee for discussion at a future date.

9. Current Issues From the Audits

There was submitted a report by the Director of Public Reporting (Local Government) and the Director of Audit Services (Local Government) on current audit issues in councils. This report would have been submitted to the Financial Audit and Assurance Committee in the normal course of events. The Commission welcomed and noted the report.

ACCOUNTS COMMISSION FOR SCOTLAND

BEST VALUE AUDIT OF MORAY COUNCIL

FINDINGS

1. In February 2006 the Commission published the report on the Best Value audit of Moray Council together with its findings. The report and findings identified a number of areas for action by the council and the Commission required a further report by the Controller of Audit on the steps taken by the council to address those issues.
2. The Commission accepts this report following up on the performance of Moray 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.
3. The Commission acknowledges that since the publication of the original Best Value audit report there has been improvement in the corporate leadership and strategic direction of the council, in particular –
 - Publication of a Community Plan
 - Training programmes for elected members and senior officers
 - Improvements to performance management arrangements
 - New political management arrangements
 - Progress on strategic priorities such as flood prevention projects and agreement on single status.
4. There are, however, continuing areas of concern for the Commission as demonstrated in the report, particularly –
 - The need for consistent strategic leadership by elected members. (The Commission notes that almost all of the changes implemented have been driven by officers, with little clear evidence of member commitment)
 - The need to develop a systematic approach to demonstrating competitiveness
 - The need for a more systematic approach to prioritise and manage strategic priorities
 - The need to accept the value of external support to help deliver its improvement agenda.
5. The Commission believes that Moray Council has made steady progress in a number of areas but still has a considerable way to go in delivering Best Value to ensure that improvement in corporate processes flows through to improved services for the people of Moray. A significant proportion of members elected in May 2007 are new councillors, which presents challenges for the council in making progress. The Commission wishes to see elected members in Moray demonstrate a commitment to delivering Best Value and developing their corporate role in all the council's affairs.
6. The Commission accordingly requires a further report from the Controller of Audit on continued improvement in Moray Council as at 30 June 2008.

