

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland, 110 George Street, Edinburgh on Wednesday 10 October 2007 at 10.30am.

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

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit
D Pia, Director of Public Reporting (Local Government)
C Coull, Secretary
A Clark, Assistant Director Public Reporting (item 6)
R Frith, Director of Audit Strategy (item 9)
R Nicol, Assistant Director Public Reporting (Best Value) (item 7)

<u>Item No</u>	<u>Subject</u>
1.	Membership
2.	Apologies
3.	Minutes
4.	Chair's Introduction
5.	Deputy Auditor General
6.	Crerar Review
7.	Audit of Best Value for Police and Fire and Rescue Services
8.	Preparing for Best Value Audit Round 2
9.	Audit Charges 2007/8 Audits
10.	Future Meetings

1. Membership

Isabelle Low advised the Commission that there was still no outcome in relation to appointments for Chairmanship and membership of the Commission and it now appeared that appointments would be made with effect from 1 November.

The Commission agreed that this was an unsatisfactory position, both in respect of the Accounts Commission and for individuals involved, and noted that the Deputy Chair would be acting as Chair of the Commission until a new Chair was appointed.

2. Apologies

Apologies for absence were intimated on behalf of John Baillie.

3. Minutes

The minutes of meeting of 11 September 2007 were submitted and approved.

With reference to paragraph 7 of the minutes it was noted that the publication date for the report on the Best Value audit of East Lothian Council would be 16 October and agreed that the link members in respect of the report would be Michael Docherty and Jean Couper.

With reference to paragraph 9 of the minutes it was noted that the consultation paper in respect of the 2007 Direction on Police SPIs had now been issued.

4. Chair's Introduction

Isabelle Low referred to the dinner which had been held for the outgoing Chair and Secretary and advised that she had received a phone call from Alastair MacNish and an email from Bill Magee, both expressing their thanks.

5. Deputy Auditor General

Caroline Gardner advised the Commission as follows:-

- The reports on police call management and waste management had been published since the last meeting of the Commission
- The Scottish Government were keen to involve the Accounts Commission and the Auditor General in their forward thinking on SPIs and the outcome framework. A progress report would be submitted to the Commission in due course
- Fraser McKinlay had been appointed to cover Nikki Bridle's post during her absence on maternity leave.

6. Crerar Review

There was submitted a report by the Deputy Auditor General advising that the Crerar Report on the independent review of regulation, audit inspection and complaints handling of public services in Scotland had been published on 25 September. The Deputy Auditor General's report set out the key findings and recommendations arising from the review which related specifically to the Accounts Commission, and also covered the Scottish Government's initial response to the review's overall findings.

Caroline Gardner advised that the Crerar report had now been discussed in Parliament and support had been voiced for the position of both the Accounts Commission and the Auditor General. A team had been put together within the government to follow up on the report and a report was expected some time in 2008. Meantime Audit Scotland proposed that discussions take place with other scrutiny bodies with a view to working together to co-ordinate scrutiny activity more effectively.

Following considerable discussion during which members welcomed the general thrust of the proposals in the report relating to public focus and the rationalisation of scrutiny, the Commission agreed to note the publication of the independent review report and that a further report would be submitted once the Scottish Government had issued its formal response.

7. Audit of Best Value for Police and Fire and Rescue Services

There was submitted a report by the Director of Public Reporting (Local Government) updating the Commission on developments in relation to its responsibilities for the audit of Best Value in police and fire and rescue services. Attached to the report was a copy of the discussion paper which had been prepared for the Auditor General and Accounts Commission in November 2006 and the report updated the Commission on the progress since that date. It was noted in particular that the Scottish Parliament Justice Committee had announced an enquiry into the use of police resources, reporting early in 2008, and the Commission was invited to decide whether it wished to submit evidence to the Justice Committee based on the material in the attached discussion paper. David Pia advised the Commission that the Auditor General wished to submit evidence and had suggested that this should be a joint submission with the Accounts Commission. He advised that this may result in a request to follow up the written evidence by giving evidence in person.

In discussion a number of points were made, including the following:-

- The importance of finding a credible and acceptable way to monitor a large amount of public expenditure, without constraining the operational independence of the police
- The need for the submission to be evidence-based, which could include reference to the call management report and the pilot best value audit
- The difficulties caused by structures in seeking to advance the best value audit
- The weakness of scrutiny by police authorities
- The possibility of holding discussions with HMCIC.

Thereafter the Commission agreed to submit evidence to the Justice Committee on the basis of a joint submission with the Auditor General for Scotland; to nominate Douglas Sinclair and Owen Clarke to approve the final version of the joint submission for the interest of the Accounts Commission; and to give further consideration in due course to nominating members to appear before the Committee to give evidence in person.

8. Preparing for Best Value Audit Round 2

There was submitted a report by the Controller of Audit and Deputy Auditor General with attached a draft discussion paper to be used for meetings with councils in preparation for round 2 of the Best Value audit. The Commission was asked to comment on and approve the discussion paper and to agree the arrangements for meetings with councils and other key stakeholders.

Considerable discussion took place on the draft discussion paper and a number of amendments were made, including aligning the principles with the areas for development and expanding a number of paragraphs to give greater clarity.

Thereafter the Commission agreed:

- i. to approve the discussion paper for the meetings with councils, subject to the amendments agreed at the meeting;
- ii. that arrangements now be put in hand for the meetings and that councils be invited to send the Leader of the Opposition or Chair of the Audit Committee in addition to the Chief Executive and Council Leader;
- iii. that all members of the Commission be encouraged to attend as many meetings as possible, and
- iv. that the consultation meetings with stakeholders be left until the new Chair was appointed.

9. Audit Charges 2007/8 Audits

There was submitted a report by the Director of Audit Strategy seeking the Commission's agreement to the proposed audit charges for the 2007/08 audits which would commence shortly. The report indicated that the increased charge amounted to 2% which was less than had previously been intimated to local government, as a result of efficiency savings which had been put in place by Audit Scotland.

The Commission agreed to approve the charging proposals for 2007/08 audits and requested that councils be given a clear explanation of how the charges were reached.

10. Future Meetings

It was noted that meetings of the Commission would take place on 14 November, 28 November and 12 December.