

Minutes of the meeting of the Accounts
Commission held in the offices of Audit
Scotland, 110 George Street, Edinburgh
on Wednesday 21 May 2008 at 10.30am.

PRESENT: J Baillie (Chair)
A Alexander
O Clarke
A Faulds
K Geddes
J King
I Low
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
T Yule, Local Government Improvement Adviser, Public Reporting
M Taylor, Assistant Director, Audit Services (item 5)
F Mitchell Knight, Assistant Director, Audit Services (item 5)
L McGiffen, Portfolio Manager, Best Value (item 5)
F McKinlay, Assistant Director, Best Value (items 6 and 7)
G Woolman, Assistant Director, Audit Services (item 6)
N Thornton, KPMG (item 6)

<u>Item No</u>	<u>Subject</u>
1.	Apologies for Absence
2.	Minutes
3.	Chair's Introduction
4.	Report by the Controller of Audit
5.	Best Value Audit of Aberdeenshire Council
6.	Best Value Audit of Midlothian Council
7.	Best Value Audits – Progress Update
8.	Audit Scotland Financial and Performance Information – Quarter 4 and Year End January to March 2008

1. Apologies

Apologies for absence were intimated on behalf of Jean Couper, Michael Docherty and Adrienne Kelbie.

2. Minutes

The minutes of meetings of 23 and 30 April 2008 were submitted and approved.

3. Chair's Introduction

The Chair reported that, since the last meeting of the Commission, the hearing at Aberdeen City Council had taken place. He expressed his thanks to his fellow Commissioners and to Catherine Coull, Caroline Gardner, David Pia and Anne McCubbin for all their work and assistance in this regard.

The following week he was to be attending the Local Government and Communities Committee of the Parliament to give evidence on the local government overview report; and, together with Isabelle Low and Douglas Sinclair, was to be holding a meeting with the other scrutiny bodies to discuss taking forward the Commission's gate keeping role in respect of the Crerar Report.

The position was noted.

4. Report by the Controller of Audit

There was submitted a report by the Controller of Audit providing an update on the following matters:-

- Scrutiny improvement programme
- Single outcome agreements
- Education, Lifelong Learning and Culture Committee
- Local Government and Communities Committee
- Local government sector meeting.

The Commission noted the terms of the report.

5. Best Value Audit of Aberdeenshire Council

Ann Faulds declared an interest in this item. She left the room and took no part in the consideration of the item.

There was submitted a report by the Secretary introducing the Controller of Audit's report of the Best Value audit of Aberdeenshire 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 agreed to make findings as contained in Appendix 1 to these minutes.

6. Best Value Audit of Midlothian Council

There was submitted a report by the Secretary introducing the Controller of Audit's report of the Best Value audit of Midlothian 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 agreed to make findings as contained in Appendix 2 to these minutes.

7. Best Value Audits – Progress Update

There was submitted a report by the Director of Public Reporting (Local Government) updating the Commission on progress of the first round of Best Value audits.

It was noted that it was intended to bring a proposal to the Commission regarding the possible development of an overview of the first round of Best Value audits to mark the end of BV1 and the Commission agreed that a skeleton timetable should be submitted to the next meeting.

Thereafter the terms of the report were noted.

The Chair expressed his thanks to the team for catching up with the programme of Best Value audits.

(Action – David Pia to submit timetable.)

8. Audit Scotland Financial and Performance Information – Quarter 4 and Year End January to March 2008

There was submitted a report by the Director of Corporate Services presenting financial and performance information for Audit Scotland to 31 March 2008.

The report was noted.

ACCOUNTS COMMISSION FOR SCOTLAND
BEST VALUE REPORT ON ABERDEENSHIRE COUNCIL
FINDINGS

The Commission accepts this report on the performance of Aberdeenshire 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.

The particular aspects of the Council which the Commission welcomes include-

- Its decentralisation arrangements and devolved decision-making structure
- Its commitment to joint working
- Good service performance in a number of key areas
- Its sound traditional financial control

However, to deliver Best Value fully, the Council now needs to adopt a more strategic approach and to co-ordinate its plans more effectively. The Council has adopted its strategic priorities for the next four years – these now need to be rigorously implemented to ensure that the desired outcomes are achieved. The Council also needs to increase and maintain the pace of change and to ensure that initiatives are followed through and evaluated.

With regard to the areas where the Council needs to make progress, we would highlight the following –

- A more effective approach to community planning, with members providing leadership and working more closely with community planning partners
- The development of a clear approach to ensuring that its services are competitive, through regular options appraisals and benchmarking and, where necessary, market testing
- The need for more developed risk and asset management
- The need for a more strategic approach to financial management.

We look forward to receiving an improvement plan from the Council, with measurable and achievable outcomes, which take forward the recommendations in the report by the Controller of Audit and the issues highlighted in these findings.

ACCOUNTS COMMISSION FOR SCOTLAND
BEST VALUE REPORT ON MIDLOTHIAN COUNCIL
FINDINGS

The Commission accepts this report on the performance of Midlothian 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.

Midlothian Council has an ambitious vision based on its understanding of local needs and issues and we welcome its effective engagement with communities and its generally sound financial management. We also recognise the work the Council is doing in house building and improving the quality of its school estate. However, the Council has some way to go before it is in a position fully to demonstrate Best Value and continuous improvement. While many of the necessary processes are in place, there is a need for more effective implementation and clearer priorities.

The Council needs to take corporate action –

- to drive initiatives through to completion
- to deal with the areas where there are significant service deficiencies
- to improve its standards of customer care
- to take forward the important people management issues which have not yet been fully delivered
- to put in place and use effective processes to support continuous improvement across all areas
- to work at ensuring that its priorities can be delivered within the agreed timescales.

In addition, we consider that particular attention should be given to –

- Elected members and senior officers providing a clearer focus on Best Value and support for continuous improvement
- Scrutiny arrangements consistently providing members with timely information about service performance
- Ensuring the competitiveness of its services, with the use of options appraisals and benchmarking and, where appropriate, market testing
- Considering how best to build managerial and professional capacity within the Council

The Commission looks forward to receiving an improvement plan with measurable and achievable outcomes to take forward these findings and the recommendations in the report by the Controller of Audit.