

Minutes of the meeting of the Accounts  
Commission held in the offices of Audit  
Scotland, 110 George Street, Edinburgh  
on Wednesday, 16 July 2008 at 10.30am

PRESENT: J Baillie (Chair)  
M Docherty  
K Geddes  
J King  
I Low  
I Robertson

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit  
D Pia, Director of Public Reporting (Local Government)  
C Coull, Secretary  
Fiona Lees, Chief Executive, East Ayrshire Council (item 2)  
P Tait, Assistant Director, Audit Services (item 2)  
C Wyllie, Henderson Loggie (item 3-7)  
A MacDonald, Senior Audit Manager, Audit Services (items 3-7 )  
F McKinlay, Assistant Director (Best Value) – Public Reporting  
(items 3-11)

<u>Item No</u>	<u>Subject</u>
1.	Apologies for Absence
2.	Concordat and Scrutiny - Presentation
3.	Minutes
4.	Performance Audit Committee
5.	Chair's Introduction
6.	Report by the Controller of Audit
7.	Best Value Audit of Perth and Kinross Council
8.	Developing Best Value Audits for Police and fire and Rescue Authorities
9.	Best Value Audits – Progress Report
10.	Update on Best Value 2 Developments
11.	CIPFA Consultations on Local Authority Reporting

1. Apologies

Apologies for absence were intimated on behalf of Alan Alexander, Owen Clarke, Jean Couper, Ann Faulds, Adrienne Kelbie and Douglas Sinclair.

2. Concordat and Scrutiny

Fiona Lees, Chief Executive of East Ayrshire Council, gave a presentation on scrutiny and the concordat between local government and Scottish Government. After questions had been asked and answered Ms Lees was thanked for her presentation.

3. Minutes

The minutes of meeting of 18 June 2008 were submitted and approved and action in relation to a number of items was noted.

4. Performance Audit Committee

The minutes of meeting of the Performance Audit Committee of 2 July 2008 were submitted and approved.

5. Chair's Introduction

The Chair reported on progress with regard to scrutiny issues and indicated that a meeting was being held that afternoon to discuss the possible terms of reference for Richard Kerley. A number of Best Value reports had recently been published with appropriate media coverage. In addition the selection process was in hand for the appointment of new members of the Commission.

6. 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  
Other matters  
Audit Commission reports

It was noted in particular that all councils had now finalised their Single Outcome Agreements and a report would be submitted to the September meeting of the Commission with an analysis of the SOAs.

All local government bodies had submitted their unaudited accounts by the due date of 30 June.

The position was noted.

*(Action – report on SOAs to September meeting – Caroline Gardner)*

7. Best Value Audit of Perth and Kinross Council

There was submitted a report by the Secretary introducing the Controller of Audit's report of the Best Value audit of Perth and Kinross 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 and appointed the Chair, Iain Robertson and Jim King to hold the follow-up meeting with representatives of the council.

8. Developing Best Value Audits for Police and Fire and Rescue Authorities

There was submitted a report by the Director of Public Reporting (Local Government) providing the Commission with details of the proposed development and implementation of the Best Value audit for police and fire and rescue authorities.

Discussion took place on the report and it was noted that, given the tripartite arrangement for policing, there were a number of matters on which the Best Value audit would not make judgements. It was considered that there was a need for the performance framework to be improved and noted that police reports would require to place reliance in particular on HMIC inspection reports.

Thereafter the Commission agreed to approve the proposals regarding the initial round of audits, as outlined in the report, and noted that detailed proposals for implementing the Best Value audits of police and fire would be submitted to the Commission in November 2008.

*(Action – report detailing proposals for implementing BV audits of police and fire to be submitted in November 2008 – David Pia)*

9. Best Value Audits – Progress Report

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

10. Update on Best Value 2 Developments

There was submitted a report by the Director of Public Reporting (Local Government) updating the Commission on progress with regard to the Best Value 2 improvement plan. An Appendix to the report detailed the projects/tasks and set out the timetable and current progress in respect of each.

The report was noted.

11. CIPFA Consultations on Local Authority Reporting

There was submitted a report by the Director of Audit Strategy regarding two consultation papers issued by CIPFA on the future direction of local authority reporting – “Telling the whole story – the future of stakeholder reporting in local government” and “Back to basics – a first principles review of local authority accounts”. Copies of draft responses, jointly from the Accounts Commission and the Auditor General, were attached to the report for consideration.

During the discussion the following points were made:-

- The responses should use the standard text explaining the roles of the Accounts Commission and Audit Scotland in the introduction
- With regard to paragraph 8 of the response on “Telling the whole story” there should be included a short paragraph regarding the Scottish context, pointing out that while the principles should be common there will always be differences in application

With regard to paragraph 8 of “Telling the whole story” it would be helpful to have a drill down mechanism in addition to web based publication, allowing people to follow through their own areas of interest to greater levels of detail based on the underlying management information.

Thereafter the draft responses were approved, subject to the above comments.