

AGENDA ITEM 3

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland, 110 George Street, Edinburgh, on Wednesday, 15 April 2009, at 10.30am

PRESENT: J Baillie (Chair)
M Ash
O Clarke
M Docherty
A Kelbie
J King
I Low
B McQueen
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
F McKinlay, Assistant Director (Best Value), Public Reporting (items 7-12)
C Calder, Portfolio Manager (Best Value), Public Reporting (item 7)
G McRae, KPMG (item 7)

<u>Item No</u>	<u>Subject</u>
1.	Apologies for Absence
2.	Declarations of Interest
3.	Minutes
4.	Financial Audit and Assurance Committee
5.	Chair's Introduction
6.	Update Report by the Controller of Audit
7.	East Dunbartonshire Council – Audit of Best Value and Community Planning
8.	South Lanarkshire Council - Best Value Audit
9.	Best Value Audits – progress update
10.	Update on Best Value 2 developments
11.	Local Government Scrutiny Co-ordination update
12.	Framework for Joint Working between the Accounts Commission, Auditor General and Audit Scotland
13.	Meeting in Public – issues for consideration
14.	Next Meeting

1. Apologies

Apologies for absence were intimated on behalf of Ann Faulds.

2. Declarations of Interest

Michael Docherty declared an interest in item 8 as a former Chief Executive of South Lanarkshire Council. He left the meeting during consideration of that item.

3. Minutes

The minutes of meeting of 18 March 2009 were submitted and approved, subject to the fifth bullet point in item 12 (Best Value 2 – draft consultation paper) being amended to read “it was agreed that the audits should continue to be entitled Best Value Audits, with the use of a sub-title such as, possibly, “how.....council is improving”.

[Action – amendment to minute – Catherine Coull]

4. Financial Audit and Assurance Committee

The minutes of meeting of the Financial Audit and Assurance Committee of 11 March 2009 were submitted and the recommendations contained therein were approved. It was noted that discussion had also taken place on the risks involved in utilising capital resources for revenue purposes.

5. Chair's Introduction

The Chair reported on a number of items as follows:-

- Together with Paddy Tomkins, HMCIC, he had met with Police Board Conveners to discuss Best Value
- An article had appeared in Holyrood magazine
- He had given evidence to the Public Audit Committee on the overview of local authority audits
- He had held meetings with representatives of CoSLA and SOLACE
- The letter of information on scrutiny co-ordination progress had been issued.

He also advised, with considerable regret, that Michael Docherty had intimated his intention to resign from the Commission due to his work in Northern Ireland.

The position was noted.

6. Update Report by the Controller of Audit

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

- Single Outcome Agreements
- Strategic Audit Risk Analysis
- Peer Review of the Wales Audit Office
- Parliamentary Public Audit Committee
- Audit Commission reports

7. East Dunbartonshire Council – Audit of Best Value and Community Planning

There was submitted and noted a report by the Secretary introducing the Controller of Audit's report of the Best Value audit of East Dunbartonshire 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 members of the Commission.

Thereafter the Commission agreed to make findings as contained in Appendix 1 to these minutes.

8. South Lanarkshire Council - Best Value Audit

There was submitted a copy of the report to the Council by its Chief Executive on 25 March 2009, incorporating the Council's improvement action plan, and minute of the meeting.

The position was noted.

9. Best Value Audits – progress update

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 of the development of Best Value 2. Attached to the report was an overview of the remaining BV2 programme plan development area, key implementation milestones linked to the BV2 consultation process, BV2 pathfinders and pilot police BV audits.

The Commission agreed:-

- (i) to note the progress of the development of Best Value 2,
- (ii) that leaders of the opposition on councils be invited to attend the consultation meetings on Best Value 2, and
- (iii) to approve the format of the report for future progress update reporting.

11. Local Government Scrutiny Co-ordination update

There was submitted a report by the Controller of Audit advising of the developments in respect of the scrutiny co-ordination work which was being carried out under the Accounts Commission gate-keeping role.

The report gave details of the Scottish Government's response to the recommendations of the five fixed term action groups; an update of the work of the scrutiny improvement board; information regarding the progress of the strategic group and operational group; and a list of development activity and challenges being faced.

The development of local networks was noted and it was agreed that this collaboration was needed at all levels of the various scrutiny bodies. The commitment by Government to legislate for a duty to collaborate was welcomed and it was noted that this would be underpinned by an appropriate protocol.

Following considerable discussion the Commission agreed to note the report and that further update reports would be submitted as appropriate. Thanks were expressed to the staff of Audit Scotland who had carried out such a considerable amount of work to get to this position.

12. Framework for Joint Working between the Accounts Commission, Auditor General and Audit Scotland

There was submitted a report by the Controller of Audit referring to the decision of the Commission at its strategy seminar in February that the framework for joint working between the Accounts Commission, the Auditor General and Audit Scotland should be reviewed and updated. Attached to the report was a draft updated framework which had been approved by the Audit Scotland Board.

The Commission noted and welcomed the proposals by Government to legislate to improve the governance arrangements regarding the appointment of members to the Board of Audit Scotland.

The Commission agreed, for its interest, to approve the revised framework for joint working, subject to the fifth bullet point under Working Arrangements being altered to read: "The Audit Scotland Accountable Officer (currently the Auditor General) will attend Accounts Commission meetings at least annually".

[Action – amendment to document – Caroline Gardner]

13. Meeting in Public – issues for consideration

There was submitted a report by the Secretary referring to the decision of the Commission on 4 March 2009 that consideration be given to the practicality of Commission meetings being held in public. The report set out a number of issues for consideration in this regard and suggested that a review of the arrangements take place after six months.

Following considerable discussion, it was agreed that the Chair would nominate two members to liaise with other members in discussing the issues further and report back to a future meeting'

[Action – nomination of members – Chair]

14. Next Meeting

It was noted that the next meeting was scheduled for 13 May at 10.30am.