

AGENDA ITEM 3

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland, 110 George Street, Edinburgh, on Wednesday, 13 May 2009, at 10.30am

PRESENT: J Baillie (Chair)
M Ash
O Clarke
M Docherty
A Faulds
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
G Smail, Portfolio Manager, Public Reporting (Local Government)
T Yule, Local Government Improvement Advisor, Public Reporting (item 9)
B Hurst, Director of Public Reporting (NHS and Central Government) (item 11)
D Gill, Portfolio Manager, Central Government Core Public Reporting (item 11)
I Coll, Project Manager, Public Reporting (Central Government) (item 11)

<u>Item No</u>	<u>Subject</u>
1.	Declarations of Interest
2.	Minutes
3.	Performance Audit Committee
4.	Chair's Introduction
5.	Update Report by the Controller of Audit
6.	South Lanarkshire Council – Best Value Report
7.	Fife Council - Best Value Audit
8.	Update on Best Value developments
9.	Consultation on Best Value Audits and Inspections of Police
10.	Local Government Scrutiny Co-ordination Update Report
11.	Key Messages and Draft Report: Improving Public Sector Purchasing in Scotland
12.	Audit Scotland Financial and Performance Information: Q4 and Year End January-March 2009
13.	Other Business

1. Declarations of Interest

Michael Docherty declared an interest in item 6 as a former Chief Executive of South Lanarkshire Council. He left the meeting during consideration of that item.

Douglas Sinclair declared an interest in item 7 as a former Chief Executive of Fife Council. He left the meeting during consideration of that item.

2. Minutes

The minutes of meeting of 15 April 2009 were submitted and approved. With reference to item 13 of the minutes the Chair advised that he had asked Iain Robertson and Mike Ash to consider the issues involved in the Commission meeting in public.

3. Performance Audit Committee

The minutes of meeting of the Performance Audit Committee of 22 April 2009 were submitted and the recommendations contained therein were approved.

4. Chair's Introduction

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

- Follow-up meetings had been held with South Lanarkshire, Fife and Dumfries and Galloway Councils
- The reports on Asset Management and the Best Value Audit of East Dunbartonshire Council had been published and the report on Mental Health would be published the following day
- He had chaired a meeting of the scrutiny co-ordination strategic group on 30 April
- He had held meetings with Angiolina Foster and ACPOS.

The position was noted.

5. 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:-

- Parliamentary Committees, including progress in relation to joint Accounts Commission/Auditor General Reports
- Chief Executive appointments
- Audit Commission reports

6. South Lanarkshire Council –Best Value Report

There was submitted a note of the follow-up meeting with South Lanarkshire Council which had taken place on 16 April 2009.

The report was noted.

7. Fife Council - Best Value Audit

There were submitted the Fife Council Best Value Improvement Plan and an extract from the Fife Council meeting when the Best Value Report had been considered.

The position was noted.

8. Update on Best Value developments

There was submitted a report by the Director of Public Reporting (Local Government) updating the Commission on progress of Best Value 2 and other Best Value developments. Appendix 1 to the report gave an overview of the remaining BV2 programme plan development areas, key implementation milestones linked to the BV2 Consultation process, BV2 pathfinders and pilot Police BV audits.

The position was noted, and it was agreed that the issue of plain language in Best Value reports should be discussed at the consultation meetings on BV2.

(Action – discussion at consultation meetings – Chair/ David Pia)

9. Consultation on Best Value Audits and Inspection of Police

There was submitted a report by the Director of Public Reporting (Local Government) providing a summary of the responses which had been received to the Consultation on the Best Value Audit and Inspection of Police. Details were given of the main issues raised during the Consultation and at meetings, and it was considered that no substantial issues had been raised that would affect the approach proposed for the pilot audits and inspections. A report would be brought to the Commission later in the year with the results of the evaluation of the pilots and consideration could then be given with HMIC to the future implementation of the audits.

Discussion took place in particular on appropriate comparators for aspects of the police service.

The position was noted.

10. Local Government Scrutiny Co-ordination Update Report

There was submitted a report by the Controller of Audit advising of the work being carried out by the scrutiny improvement programme board, the strategic group and the operational group and setting out the development activity currently underway. Attached to the report was a copy of the Controller of Audit's quarterly update report to the Cabinet Secretary for Finance and Sustainable Growth.

Discussion took place on the progress in this regard. With reference to the Accounts Commission role in relation to improvement it was noted that under Best Value 2 more consideration would be given to systematically identifying and highlighting good practice. It was pointed out that the need for efficient and effective performance management systems should be stressed at the consultation meetings on BV2.

Thereafter the position was noted.

(Action – discussion at consultation meetings – Chair/ David Pia)

11. Key Messages and Draft Report: Improving Public Sector Purchasing in Scotland

There was submitted a report by the Director of Public Reporting (NHS and Central Government) with attached the Key Messages summary and report for the joint Accounts Commission/Auditor General's report on Improving Public Sector Purchasing in Scotland.

During discussion a number of points were made:-

- Concern was expressed that there was limited data to support analysis of purchasing performance and that the level of savings claimed could not be validated
- The report should include a clearer definition of a saving, to show whether costs could be compared between years. It was agreed that a short paragraph would be included on efficiencies, with reference to the guidelines on Best Practice Indicators
- It was considered that this report reflected previously identified failures in public policy in an inability to translate policy into practice, a lack of performance management, a lack of robust cost/benefit analysis etc. In this regard Barbara Hurst advised that she was working on a list of the key themes from reports for submission to the Public Audit Committee
- Concern was expressed that it was not possible to measure whether there was any benefit to the Scottish economy overall. Government needed to focus attention on what the encouragement to move to more centralised purchasing would mean for local businesses at a difficult time in the economy
- Reference should be made to this report in the study being carried out on Efficiencies in the Public Sector and the link between the two studies should be highlighted
- Reference should be made in the report to the need for the public sector to recruit high quality procurement professionals
- The report should reflect the considerable change in attitude needed for a move to centralised purchasing, and refer to change management in this regard
- The report should be enhanced by the inclusion of the benefits of a good procurement strategy, and the consequences of failure in this regard in the current difficult financial climate

Thereafter the Commission agreed to approve the Key Messages summary and report, subject to the comments set out above.

(Action – amendments to document – Barbara Hurst)

12. Audit Scotland Financial and Performance Information: Q4 and Year End January-March 2009

There was submitted a report by the Director of Corporate Services presenting financial and performance information for Audit Scotland for the period from January to March 2009. It was noted that work was underway to produce a new set of indicators, flowing from the Audit Scotland corporate plan.

The report was noted.

13. Other Business

- The Chair reported on the consideration being given by the SCPA to the governance of Audit Scotland and advised of the provisions which were likely to appear in the Public Services Reform Bill
- The Chair reported that Gordon Smail would cover the Secretary's post meantime and that an advert was being placed that week for the recruitment of a person to fill the post on a full-time basis. Interviews would be held in July
- The Chair expressed grateful thanks to Catherine Coull for her work and considerable support during her time as Secretary to the Accounts Commission.