

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 110 George Street, Edinburgh, on Wednesday 17 June 2009, at 10.30am

PRESENT: J Baillie (Chair)
O Clarke
M Docherty
A Faulds
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)
F McKinlay, Assistant Director (Best Value)
G Smail, Acting Secretary and Business Manager
L McGiffen, Portfolio Manager (Best Value) (item 9)
G Macrae, KPMG (item 9)
R Nicol, Assistant Director, Public Reporting (Local Government) (item 14)
B Lancaster, Project Manager, Public Reporting (Local Government) (item 14)
R Frith, Director of Audit Strategy (item 15)
L Meahan, Chair of Diversity and Equality Steering Group (item 16)

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 13 May 2009
4.	Minutes of Financial Audit and Assurance Committee 27 May 2009
5.	Chair's introduction
6.	Update report by the Controller of Audit
7.	Fife Council – note of Best Value follow-up meeting
8.	Dumfries & Galloway Council – note of Best Value follow-up meeting
9.	West Dunbartonshire Council – Best Value follow-up report
10.	Update on BV2 developments
11.	BV2 - outcome and performance analysis framework
12.	BV2 – developing a more citizen focused audit
13.	Local government scrutiny coordination update report
14.	Improving civil contingencies planning in Scotland – draft study report
15.	Joint statement on the principles for the audit of public sector bodies
16.	Gender equality scheme annual report on progress
17.	Other business

1. Apologies for absence

Apologies for absence were intimated from Michael Ash and Adrienne Kelbie.

2. Declarations of interest

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.

Michael Docherty declared an interest in item 9 as he had previously worked as a consultant with West Dunbartonshire Council. He left the meeting during consideration of that item.

3. Minutes of meeting of 13 May 2009

The minutes of the meeting of 13 May 2009 were submitted and approved. With reference to item 10 of the minutes it was agreed that the reference to 'best practice' should be amended to 'good practice'.

4. Minutes of Financial Audit and Assurance Committee 27 May 2009

The minutes of the meeting of the Financial Audit and Assurance Committee of 27 May 2009 were submitted and approved. The Chair drew members' attention to the report on shared services which provided helpful context on the subject and highlighted potential barriers to sharing services.

5. Chair's introduction

The Chair reported on a number of items:

- BV2 consultation meetings, for which he thanked members for their support
- Briefing session for the Scottish Parliament's Local Government & Communities Committee
- Interview and resulting article in the Public Finance magazine
- Ongoing interviews for a new Depute Chair and members.

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:

- Public Services Reform Bill
- Draft Housing (Scotland) Bill Consultation
- Parliamentary Committees, including progress in relation to joint Accounts Commission/Auditor General reports
- Changes at senior officer level in councils
- Audit Commission reports.

7. Fife Council – note of Best Value follow-up meeting

There was submitted a note of the follow-up meeting with Fife Council which had taken place on 7 May 2009. The report was noted.

8. Dumfries & Galloway Council – note of Best Value follow-up meeting

There was submitted a note of the follow-up meeting with Dumfries & Galloway Council which had taken place on 12 May 2009. The report was noted.

9. West Dunbartonshire Council – Best Value follow-up report

There was submitted a report by the Acting Secretary and Business Manager introducing the report of the Best Value follow-up audit carried out at West Dunbartonshire Council. The follow-up audit report was made by the Controller of Audit under Section 102 of the Local Government (Scotland) Act 1973.

Following discussion, the Commission agreed to make findings as contained in the Appendix to this minute. The Commission also agreed to seek an early meeting with the Council to discuss the findings.

The Chair thanked the audit team for its work and for assisting the Commission's consideration of the report.

10. Update on BV2 developments

There was submitted a report by the Director of Public Reporting (Local Government) providing an update on the progress of BV2 and other Best Value developments.

In discussion, further information was provided about the approach in the pathfinder audits and risk assessment. Details were also provided on how consistency is ensured through moderation and challenge.

Thereafter the position was noted.

11. BV2 - outcome and performance analysis framework

There was submitted a report by the Director of Public Reporting (Local Government) providing a summary of the progress to date in establishing a broader range of service performance and outcome data for use in the BV2 pathfinders. The report also highlighted important issues and challenges to be addressed as the pathfinder work is taken forward.

The Commission welcomed the development work and the shifting emphasis from process to outcomes. Thereafter the position was noted.

12. BV2 – developing a more citizen focused audit

There was submitted a report by the Director of Public Reporting (Local Government) setting out proposals for a more robust approach to auditing and reporting on councils' approaches to consulting and engaging with citizens as part of the BV2 pathfinder audits. The report also referred to the establishment of a framework for making more use of available data on citizens' views.

During discussion a number of points were made:

- The planning process requires consultation and can provide evidence about community engagement.
- There need to be clear statements about confidence levels (in a mathematical sense) of different data sources and careful consideration of the reliability of data.

- The definition of the term ‘user’ needs to be clearer recognising the interests of citizens and taxpayers, including in relation to public performance reporting. Further debate is required.
- Community councils have an important role in community engagement and need to be brought into the analysis.

The Commission noted that a further report on this subject informed by the pathfinder work would be submitted in due course.

13. Local government scrutiny coordination update report

There was submitted a report by the Controller of Audit informing the Commission of developments in the scrutiny co-ordination work being carried out under the Commission’s gate-keeping role. A copy of a letter from the Cabinet Secretary for Finance and Sustainable Growth responding to the Controller of Audit’s recent quarterly update was attached, as was a summary of progress against key milestones.

The Controller of Audit indicated that a more detailed paper would be submitted to the Commission in July. Thereafter the Commission noted the position.

14. Improving civil contingencies planning in Scotland – draft study report

There was submitted a report by the Director of Public Reporting (Local Government) with attached key messages and draft report for the joint Accounts Commission/Auditor General performance study report on improving civil contingencies planning in Scotland.

During discussion it was agreed that there needed to be a clearer distinction between planning for emergencies and dealing with emergencies. Thereafter the Commission agreed to approve the key messages summary and report, subject to the comment above.

[Action – amendments to document – David Pia]

15. Joint statement on the principles for the audit of public sector bodies

There was submitted a report by the Director of Audit Strategy updating the Commission on the joint statement on the principles for the audit of public sector bodies in Scotland. The Commission noted the position and approved the revised statement.

16. Gender equality scheme annual report on progress

There was submitted a report by the Chair of the Diversity & Equality Steering Group attaching a draft of the Commission’s annual report on gender equality.

The Commission approved the draft report and noted that it will be linked to the Audit Scotland progress report and published electronically.

17. Other Business

The Chair noted that this was Michael Docherty’s final meeting following Mr Docherty’s decision to stand down due to other work commitments. The Chair expressed grateful thanks to Mr Docherty for his hard work and for the considerable insight he had brought to the Commission’s business.

**WEST DUNBARTONSHIRE COUNCIL
AUDIT OF BEST VALUE & COMMUNITY PLANNING
PROGRESS REPORT JUNE 2009**

ACCOUNTS COMMISSION FINDINGS

1. When the Accounts Commission published its findings on the Best Value follow-up audit progress report on West Dunbartonshire Council in January 2008 it requested a further report from the Controller of Audit in eighteen months. The Commission accepts this report as fulfilling that requirement. We recognise that the report gives a broad picture of the Council's performance based on the work of Audit Scotland and does not attempt a comprehensive review of all service delivery. We also acknowledge the co-operation and assistance given to the audit process by the Leader and senior officers of the Council.
2. The Commission recognises that a number of services continue to demonstrate good levels of performance. These include education, social work and benefits administration. We also recognise that some progress has been made in other areas, including improved corporate working and increased capacity at senior officer level. This performance demonstrates the positive commitment of Council staff.
3. We find, however, that the Council has made insufficient progress against key improvement priorities identified in the 2008 report. We believe that this is because the relationships between elected members and the nature of the political conflict among elected members are having a negative effect on the operation and development of the Council. Elected members across the political spectrum have not demonstrated the corporate leadership required. There has also been limited progress in developing working relationships between elected members and senior officers. These issues are inhibiting improvement and, until they are resolved, the Council will not achieve the necessary shift in attitude and focus required to deliver best value for the people of West Dunbartonshire.
4. Other councils that have experienced difficulties in implementing best value have benefited from external assistance from the local government community and elsewhere. We therefore recommend that, as a matter of urgency, the Council secures appropriate external support from peers (both members and officers) and others to address these significant problems.
5. We have now published 32 Best Value audit reports and findings, and nine follow-up reports. West Dunbartonshire Council is the only case to date where a follow-up report and findings has led the Commission seriously to criticise the lack of progress. This underlines both the significance of the difficulties facing the Council and the need for immediate action.
6. As part of the stream-lining of scrutiny that the Scottish Government has asked the Accounts Commission to be involved in, Audit Scotland is currently working closely with other scrutiny bodies to deliver a shared risk assessment of West Dunbartonshire Council. We expect the issues identified in this report to feature strongly in that risk assessment and, in the context of joint working with our scrutiny partners, require a further progress report from the Controller of Audit in early course. We will give consideration at that point to any further measures that need to be taken.