

## AGENDA ITEM 3

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 110 George Street, Edinburgh, on Wednesday, 16 September 2009, at 10.30am

PRESENT: J Baillie (Chair)  
M Ash  
O Clarke  
A Faulds  
A Kelbie  
J King  
I Low  
B McQueen  
I Robertson

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit  
D Pia, Director of Public Reporting (Local Government)  
G Smail, Acting Secretary and Business Manager  
F McKinlay, Assistant Director (Best Value) (items 1-12)  
R Kerley, Queen Margaret University (item 7)  
T Meldrum, Portfolio Manager (Health and Community Care) (item 13)  
C Smith, Project Manager (Health and Community Care) (item 13)

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 15 July 2009
4.	Minutes of Performance Audit Committee of 26 August 2009
5.	Chair's introduction
6.	Update report by the Controller of Audit
7.	Scrutiny consultancy – draft report from R Kerley
8.	South Ayrshire Council – response to Best Value audit and note of follow-up meeting
9.	West Dunbartonshire Council – note of Best Value follow-up meeting
10.	BV1 overview report - draft report
11.	Update on Best Value developments
12.	Local government scrutiny coordination update report
13.	Progress report on planning for the delivery of the Commonwealth Games – draft study report
14.	Meeting in public
15.	Audit Scotland Financial and Performance Information: Q1 April to June 2009
16.	Any other business

1. Apologies for absence

Apologies for absence were intimated from Douglas Sinclair.

2. Declarations of interest

It was noted that no declarations of interest were made.

3. Minutes of meeting of 15 July 2009

The minutes of the meeting of 15 July 2009 were submitted and approved.

4. Minutes of Performance Audit Committee of 26 August 2009

The minutes of the meeting of the Performance Audit Committee of 26 August 2009 were submitted and approved.

5. Chair's introduction

The Chair reported on a number of items:

- BV2 consultation meetings with COSLA, SOLACE and Scottish Government
- Induction meetings for BV2 peers
- Scrutiny coordination strategic group meeting
- Interviews for non-executive members of Audit Scotland Board
- Evidence to the Parliament's Finance Committee on the Public Services Reform Bill.

The position was noted.

6. Update report by the Controller of Audit

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

- Parliamentary committees
- Developments in councils
- Audit Commission reports.

The report was noted.

7. Scrutiny consultancy – draft report from R Kerley

There was submitted a report by the Acting Secretary and Business Manager introducing a paper from Professor Richard Kerley of Queen Margaret University on the role of the Commission in scrutiny co-ordination and related matters. Professor Kerley joined the meeting to present his report.

The discussion focussed on: the name 'Accounts Commission' in the present context; the question of whether the Commission would benefit from a sounding board for its activities; and the number of members of the Commission relative to its workload.

Thereafter the Chair thanked Professor Kerley for his paper and for attending to join the discussions. The Chair noted that the points arising would be carried forward for further consideration at the Commission's annual strategy seminar.

8. South Ayrshire Council – response to Best Value audit and note of follow-up meeting

There was submitted the South Ayrshire Council Best Value improvement agenda and an extract from the Council's minutes of its meeting at which the Best Value report was considered.

There was also submitted a note summarising the follow-up meeting with the Council on 7 July 2009.

The position and summary were noted.

9. West Dunbartonshire Council – note of Best Value follow-up meeting

There was submitted a note summarising the Best Value follow-up meeting with West Dunbartonshire Council on 16 July 2009.

The summary was noted.

10. BV1 overview report – draft report

There was submitted a report by the Director of Public Reporting (Local Government) attaching a final draft of an overview on the first phase of Best Value audits. This version reflected feedback from the Commission in July and subsequent discussions with the Chair and the report sponsors.

In discussion, some wording amendments were noted. Thereafter, the Commission approved the draft report for publication and acknowledged the good work by the Audit Scotland team in preparing the draft report.

11. Update on Best Value developments

There was submitted a report by the Director of Public Reporting (Local Government) updating the Commission on the progress of Best Value 2 and other Best Value developments.

The position was noted.

12. Local government scrutiny co-ordination update report

There was submitted a report by the Controller of Audit updating the Commission on developments in respect of the scrutiny co-ordination work which is being carried out under the Accounts Commission gate-keeping role. A copy of the Controller of Audit's most recent update letter to the Cabinet Secretary, Finance and Sustainable Growth was attached as an annex.

The position was noted.

13. Progress report on planning for the delivery of the Commonwealth Games - draft study report

There was submitted a report by the Director of Public Reporting (Health and Central Government) inviting the Commission to approve the joint Accounts Commission and Auditor General draft report on planning for the delivery of the Commonwealth Games 2014.

During discussion, the Commission noted that the report should emphasise the importance of contract management and the related risks, particularly in the context of the current economic conditions. There was also discussion about the timing of the next report in the series and the team indicated that this will be taken into account in future planning.

Thereafter the Commission approved the report and noted the publication timetable.

14. Meeting in public

There was submitted a report by the Acting Secretary and Business Manager to support the Commission's ongoing deliberations about holding its meetings in public and related matters.

During discussion the following views were expressed:

- It is difficult to consider the principles without weighing up the costs and practical implications.
- The default position should be to hold meetings in public.
- Meeting in public should be considered in the context of wider discussions about how further to develop transparency and public engagement.
- There is a case for dealing with some business in private, as other organisations do.
- The Commission's position differs from other public bodies and this needs to be taken into account in decisions about public and private agenda items.
- The costs and benefits (including value to the public) need to be explored further.

Thereafter, the Commission agreed to consider the matter further at a future meeting, in the context of a wider discussion about the Commission's engagement with the public and other stakeholders. Specific points will include an example of how an agenda might be constructed to differentiate between public and private business and clarification of the position on legal privilege.

15. Audit Scotland Financial and Performance Information: Q1 April to June 2009

There was submitted a report by the Director of Corporate Services presenting the financial and performance information for Audit Scotland to June 2009. The report was noted.

16. Any other business

The Commission discussed the implications should the H1N1 virus (swine 'flu) affect its business. It agreed in that event the Chair, in consultation with members, would determine how any matters of urgent business will be conducted.

The Acting Secretary & Business Manager intimated that the Scottish Government has notified an increase in member remuneration rates and that he would provide members with a copy of the Scottish Government's letter in due course.

The Commission's next meeting (Wednesday 14 October) will take place in Audit Scotland's offices at 18 George Street.

Finally, the Chair noted that Isabelle Low, Ann Faulds and Owen Clarke were coming to the end of their terms of appointment as Commissioners and that this was their final meeting. The Chair expressed grateful thanks to them for their hard work and very valuable contribution over the years and wished them well for the future.