

Minutes of the meeting of the Accounts
Commission held in the offices of Audit
Scotland at 18 George Street,
Edinburgh, on Wednesday,
18 November 2009, at 10.30am

PRESENT: D Sinclair (Depute Chair)
M Ash
C Duncan
A Kelbie
C May
B McQueen
C Peebles
L Pollock
I Robertson
G Sharp

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit
D Pia, Director of Public Reporting (Local Government)
G Smail, Acting Secretary & Business Manager
B Skelly - HM Inspector of Constabulary for Scotland (item 8)
S Mitchell - Principal Inspection Manager, HMIC (item 8)
L McAinsh - Inspection Manager, HMIC (item 8)
F McKinlay, Assistant Director (Best Value) (item 8)
T Yule, former Improvement Advisor (Best Value) (item 8)
C Calder, Portfolio Manager (Best Value) (item 8)
A Clark, Assistant Director (Best Value) (items 9 -11)
D McGiffen, Director of Corporate Services (items 13 -14)

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 14 October 2009
4.	Minutes of Financial Audit and Assurance Committee of 2 September 2009
5.	Chair's introduction
6.	Update report by the Controller of Audit
7.	Aberdeen City Council – response to Best Value follow-up audit
8.	Tayside Police Audit of Best Value and Community Planning
9.	Update on Best Value developments
10.	Developing more citizen-friendly BV2 summary reports
11.	Responding to recommendations from the user focus action group
12.	Local government scrutiny coordination update report
13.	Single equalities scheme
14.	Audit Scotland Financial and Performance Information: Q2 July to September 2009
15.	Proposed programme of meetings 2010 – revised dates
16.	Any other business

1. Apologies for absence

Apologies for absence were intimated from J Baillie and J King.

2. Declarations of interest

It was noted that no declarations of interest were made.

3. Minutes of meeting of 14 October 2009

The minutes of the meeting of 14 October 2009 were submitted. With reference to item 4 (Chair's introduction), it was noted that the representatives of SOLACE and COSLA invited to join the scrutiny co-ordination strategic group will participate as observers. At item 9 (Forming and reporting the two new BV2 audit judgements) the third bullet should be changed to state that the descriptions underpinning the judgements and the judgements themselves should be tested with citizen focus groups.

Thereafter, the minutes were approved.

Action: Acting Secretary & Business Manager to update minutes.

4. Minutes of Financial Audit and Assurance Committee of 2 September 2009

The minutes of the Financial Audit and Assurance Committee of 2 September 2009 were submitted and approved.

Referring to discussions at the FAA Committee's meeting on 11 November, the Chair of the Committee emphasised the Committee's interest in further consideration of ways for the Commission to communicate and engage with councils. It was noted that a paper covering this and related matters would be submitted to the Commission in December.

Action: Acting Secretary & Business Manager to report to the Commission in December on the Commission's role in BV2 and wider matters relating to the Commission's engagement with local government.

5. Chair's introduction

In the absence of the Chair, this item was deferred.

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:

- Local government audits – completion and progress of the overview report
- Parliamentary committees
- The Controller's appointment to the International Ethics Standards Board for Accountants
- Lynn Bradley's appointment as vice chair of the Local Authority Scotland Accounts Advisory Committee (LASAAC)
- The publication of the report of the International Peer Review of the Wales Audit Office
- Audit Commission reports.

The report was noted.

7. Aberdeen City Council – response to Best Value follow-up audit

There was submitted a letter from the Chief Executive of Aberdeen City Council, summarising the Council's response to the Best Value follow-up audit.

The Commission noted the position and requested the Acting Secretary & Business Manager to write to the Council confirming its ongoing interest in the Council's progress in addressing the Commission's findings.

Action: Acting Secretary & Business Manager to write to the Council.

8. Tayside Police Audit of Best Value and Community Planning

There was submitted a report by the Acting Secretary & Business Manager inviting the Commission to consider the joint Best Value audit and inspection report produced by the Controller of Audit and Her Majesty's Inspector of Constabulary.

Following discussion, the Commission agreed to make findings as contained in the Appendix to this minute.

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

9. 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.

The Commission noted the progress of the BV2 Improvement Plan.

10. Developing more citizen-friendly BV2 summary reports

There was submitted a report by the Controller of Audit updating the Commission on work that is taking place as part of the Commission's Best Value Improvement Plan to develop approaches to reporting that are more meaningful for citizens.

Following discussion the Commission agreed to note the report and to receive a further report once the results of the joint work with Consumer Focus Scotland is completed.

Action: Controller of Audit to report on the outcome of the joint work with Consumer Focus Scotland.

11. Responding to recommendations from the user focus action group

There was submitted a report by the Director of Public Reporting (NHS and Central Government) and the Assistant Director (Best Value) updating the Commission on the User Focus Action Group's recommendations and inviting the Commission to consider how the audit approach relates to those recommendations.

In discussion the Commission noted that the Public Services Reform Bill proposes a duty of user focus for scrutiny bodies and suggested that consideration might be

given to service providers having similar responsibilities, possibly through updated BV guidance. The Commission requested the Controller of Audit to prepare a position statement for the Commission to take forward with the Scottish Government.

Thereafter, the Commission agreed the approach to involving service users, citizens and taxpayers in audits as set out in the paper.

Action: Controller to prepare a position statement for the Commission's consideration.

12. Local Government scrutiny co-ordination update report

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

In discussion, the Commission noted that it would receive a presentation at its meeting in December which include further explanations about the role of self assessment in the process. The Commission also noted that a recent internal audit of Audit Scotland's work in developing the shared risk assessment process concluded 'substantial assurance' status, the highest level of assurance awarded by internal audit.

Thereafter the report was noted.

13. Single Equality Scheme

There was submitted a report by the Chair of the Diversity & Equality Steering Group seeking the Commission's approval of the draft single equality scheme.

In discussion, the Commission noted that an internal audit of Audit Scotland's response to the equalities agenda concluded 'substantial assurance' status. The Commission also noted that Audit Scotland's progress on equalities is monitored by the Audit Scotland Board and reported to the Commission annually.

Thereafter the Commission agreed to approve the draft single equality scheme.

14. Audit Scotland Financial and Performance Information: Q2 July to September 2009

There was submitted a report by the Director of Corporate Services presenting financial and performance information for Audit Scotland to 30 September 2009.

The Commission noted the report.

15. Proposed dates for 2010

The Acting Secretary & Business Manager submitted a revised timetable for Accounts Commission meeting dates in 2010 reflecting the Commission's decision to move its meetings from Wednesdays to Thursdays.

The Commission agreed to adopt the meeting dates as proposed noting that there may be flexibility in the dates for Committee meetings.

16. Any other business

The following points were noted:

- Mark Brough has been appointed Secretary & Business Manager and will take up the post from January 2010.
- The Commission meeting on 9 December will be held at Audit Scotland's offices at 110 George Street.
- Recent information about spending on the Commonwealth Games will be taken into account in the material prepared to support publication of the joint Accounts Commission/Auditor General report on 19 November.
- The Commission congratulated Caroline Gardner on her appointment to the International Ethics Standards Board for Accountants (see item 6. above).

**BEST VALUE AUDIT AND INSPECTION OF TAYSIDE POLICE AND JOINT BOARD
NOVEMBER 2009
ACCOUNTS COMMISSION FINDINGS**

1. The Commission notes that this is the first joint Best Value audit and inspection report to be produced by the Controller of Audit and Her Majesty's Inspector of Constabulary. We welcome this joint approach and its significant contribution to more effective and stream-lined scrutiny. We accept this report and acknowledge the co-operation and assistance provided to the joint audit and inspection team by the Convener and other elected members of Tayside Joint Police Board, the Clerk to the Board, and the Chief Constable and officers of Tayside Police.
2. The report is wide ranging and assesses the extent to which Tayside Police Joint Board and the Police Force are meeting their best value duties. In accordance with the Commission's statutory responsibilities, these findings relate only to the best value audit of the Joint Board.
3. We find that while the Joint Board is strongly committed to supporting the Chief Constable and that working relationships between the Board and the Police Force are good, the Board is not meeting the objective of best value, namely continuous improvement in its duties and responsibilities which include effectively contributing to setting priorities for the police service and holding the Chief Constable to account.
4. Board members have an important and distinct role in the governance of police services and until there is clearer understanding and application of that role the Board will not achieve the necessary shift in focus required to attain best value.
5. Elected members appointed by the constituent councils to the Joint Board need more support to improve their knowledge and understanding of their role as Board members and to support them in core activities, including setting direction and priorities and scrutinising performance. However, the primary responsibility for obtaining the necessary support rests with the Joint Board. Accordingly, as a matter of urgency, the Joint Board needs to discuss this position with the constituent councils and secure resources which are independent of the councils and the Police Force to support it in its role.
6. We look forward to receiving an improvement plan from the Joint Board which addresses the improvement agenda set out in the joint audit and inspection report and the weaknesses identified. The plan should focus on the Board's role in working

7. It is clear to the Commission that part of the reason for the Board not fully exercising its role arises from a lack of clarity about the respective responsibilities and expectations of the Joint Board and the Chief Constable. The Commission believes this issue may not be unique to Tayside Police Joint Board and if this is the case will recommend that the Scottish Government, in consultation with COSLA (Convention of Scottish Local Authorities) and ACPOS (Association of Chief Police Officers in Scotland), should consider the existing guidance and its interpretation to ensure the specific duties and responsibilities of Boards and Board members are expressed clearly. We believe further clarification of the guidance, as may be required, would assist police authorities to self-assess their progress in achieving their statutory responsibilities for best value and community planning.