

ACCOUNTS COMMISSION

MEETING 16 SEPTEMBER 2010

MINUTES OF PREVIOUS MEETING

Minutes of the meeting of the Accounts Commission
held in the offices of Audit Scotland at
18 George Street, Edinburgh, on
Thursday, 15 July 2010, at 10.00am

PRESENT: John Baillie (Chair)
Douglas Sinclair (Deputy Chair)
Michael Ash
Colin Duncan
James King
Bill McQueen
Christine May
Colin Peebles
Linda Pollock
Iain Robertson
Graham Sharp

IN ATTENDANCE: Caroline Gardner, Deputy Auditor General and Controller of Audit
Antony Clark, Assistant Director, Best Value and Scrutiny
Improvement
Mark Brough, Secretary & Business Manager
Mark Diffley and Sara Davidson, Ipsos-MORI Scotland [Item 7]
Liz McAinsh, Principal Inspection Manager, HM Inspectorate of
Constabulary for Scotland [Item 7]
Barbara Hurst, Director of Performance Audit [Item 8]
Carolanne Quigley, Project Manager, Performance Audit Group [Item
9]
Kirsten Paterson, Project Officer, Best Value and Scrutiny
Improvement Group [Item 9]
Russell Frith, Director of Audit Strategy [Item 10]
Andrew Reddish, Manager, Audit Strategy [Item 10]
John Maclean, non-executive member of Audit Scotland

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 17 June 2010
4.	Minutes of meeting of the Performance Audit Committee of 24 June 2010
5.	Chair's introduction
6.	Update report by the Controller of Audit
7.	Evaluation of the approach to Police Best Value audits
8.	Performance Audit Programme
9.	<i>'Roles and working relationships; Have we got it right?' – Draft How Councils Work: An Improvement Series for Councillors and Officers report</i>
10.	Update on benefits performance audit
11.	Accounts Commission review of Statutory Performance Indicators (SPIs)

12. Developing the BV2 audit process
13. Dundee City Council Best Value 2 pathfinder audit – follow-up meeting with Council leadership
14. Angus Council Best Value 2 pathfinder audit – follow-up meeting with Council leadership
15. Any other business

1. Apologies for absence

Apologies were received from Adrienne Kelbie.

2. Declarations of interest

No declarations of interest were made.

3. Minutes of meeting of 17 June 2010

The minutes of the meeting of 17 June 2010 were submitted and approved.

4. Minutes of the meeting of the Performance Audit Committee of 24 June 2010

The Commission noted the minutes of the meeting of the Performance Audit Committee of 24 June 2010.

The Commission noted and endorsed the approach outlined in Item 9:

- agreeing immediate priority studies to be conducted under the Best Value and Resource Management series (now renamed *How Councils Work: An Improvement Series for Councillors and Officers*), and
- agreeing a process for expediting approval of future study briefs in this series.

5. Chair's introduction

The Chair reported on—

- The publication on 1 July of the National Scrutiny Plan for Local Government for 2010/11 and the 32 Assurance and Improvement Plans, and the intention to write to the Cabinet Secretary for Finance and Sustainable Growth, offering to discuss the future gatekeeping role for the Commission in scrutiny co-ordination.
- Arrangements for conducting follow-up meetings with councils on the Best Value 2 pathfinder audits.
- The hearing on Shetland Islands Council on 28 and 29 June. In doing so the Chair thanked the audit team and other staff of Audit Scotland who had supported the Commission.

6. Update report by the Controller of Audit

The Commission considered and noted a report by the Controller of Audit providing an update on—

- Local government audit issues.
- Relevant Scottish Parliament committee activity.

Following discussion, the Commission noted that—

- The deadline of 30 June for submitting draft accounts for audit had been met by all 32 councils.
- Chief Executive appointments had been made at Shetland Islands Council, Orkney Islands Council and West Lothian Council.

7. Evaluation of the approach to Police Best Value Audits

The Commission considered a research report by Ipsos-MORI Scotland reviewing stakeholders' experience of pilot Police Best Value audits. These were audits conducted jointly with Her Majesty's Inspector of Constabulary for Scotland. During discussion, the Commission considered a number of issues highlighted by the report. The Commission thanked Ipsos-MORI Scotland for its work

The Commission endorsed the approach taken to Police Best Value audits, and noted that the work has had a high profile with police forces and boards. The Commission agreed that Audit Scotland and Her Majesty's Inspector of Constabulary for Scotland should work together to address key points as they develop the ongoing police audits, with particular emphasis on:

- Providing fuller feedback to forces and boards at the scoping stage of the audit;
- Producing clearer guidance on what will be inspected and the characteristics of what constitutes Best Value in the police; and
- Continuing to refine the structure of audit reports.

[Action – Audit Scotland to work with HMICS to refine the approach to ongoing Police Best Value audits]

8. Performance audit programme

The Commission considered a report by the Director of Performance Audit, outlining the consultation that has been undertaken on the forward performance audit programme and proposals to move to a rolling programme.

During discussion the Commission noted that—

- Meetings are continuing to be sought with key stakeholders on the proposed strategic themes and proposals for the forward programme, and other options for consultation and engagement will continue to be considered;
- The proposal to move to a rolling programme provides an annual set of priority audits and the flexibility to respond to developments in the public sector.

The Commission agreed that—

- In the Spring of each year, the Commission and the Auditor General would consider whether the strategic themes should be reviewed and consider the proposed projects to be included in the following year's programme;

- In the summer of each year, the Commission and the Auditor General would approve the proposed programme for the following year; and
- The programme for 2011-12 would be considered by the Performance Audit Committee at its next meeting, and subsequently by the Commission in September.

[Actions – Proposals to be submitted to the Performance Audit Committee and the Commission in accordance with the decisions above – Director of Performance Audit]

9. 'Roles and working relationships: Have we got it right?' – Draft How Councils Work: An Improvement Series for Councillors and Officers report

The Commission considered a draft report 'Roles and working relationships: have we got it right?'. This is the first report in the 'How councils work: an improvement series for councillors and officers' series of publications.

The Commission approved the draft for publication, subject to the following points being considered—

- Whether additional emphasis could be given to the pivotal role of the chief executive as the head of the paid service, and the importance of the chief executive's relationship with the convener of the council;
- Whether additional emphasis could be given to the scrutiny role of elected member.

The Commission also considered options for dissemination and promotion of the report's key messages and agreed that—

- A copy of the report would be sent to all councillors in Scotland, with a cover letter highlighting the 'key questions' appendix;
- Consideration should be given to holding a seminar to promote the report.

[Action – Report to be issued to all councillors, and consideration to be given to holding a seminar to promote the report – Director of Best Value and scrutiny Improvement]

10. Update on benefits performance audit

The Commission considered a report by the Director of Audit Strategy on the outcome of Audit Scotland's benefits performance audit work during the period 2008 to 2010 and the changes made to the 2010/11 audit.

During discussion, the Commission noted that this work does not duplicate work by appointed auditors on councils' management of housing benefit claims, and is separate from Audit Scotland's national fraud initiative work.

The Commission noted the report, and asked Audit Scotland to keep under review how the results of benefits performance audit work are communicated to key stakeholders, including relevant council committees.

[Action – Director of Audit Strategy to keep under review how this work is communicated to stakeholders]

11. Accounts Commission Review of Statutory Performance Indicators (SPIs)

The Commission considered a report by the Director of Best Value and Scrutiny Improvement on a proposed approach to, and timetable for, the review of Statutory Performance Indicators (SPIs) which the Commission had previously agreed to undertake in 2010.

The Commission agreed the proposed approach.

[Actions – further report to be submitted to the Commission in September for consideration of options arising from the review]

12. Developing the Best Value 2 audit process

Following discussion at its previous meeting of a research report by Ipsos-MORI Scotland on stakeholders' experiences of the Best Value 2 pathfinder audits, and agreement on how the Best Value 2 approach should develop, the Commission considered a further report by the Controller of Audit on the definition and presentation of the audit judgements.

Following discussion the Commission agreed that—

- In order to provide clearer information on what councils should expect from the audit process, a Best Value 2 audit guide should be prepared for interested parties.
- A four-point judgement scale should be retained, with the emphasis on achieving transparency for the public by ensuring that the language used in the judgements and the performance descriptors is as simply and clear as possible.
- The 'pace and direction of change' judgement should be titled 'How good is my council's overall performance?', and should ensure that it reflects the progress a council has made since previous audits.
- The current 'What are my council's prospects for future improvement' judgements should be retained with refinement to the wording if possible.
- A review of research on the benefits to public understanding of different forms of wording for performance descriptors should be undertaken before these are finalised.
- The content of the guide, including refinement of the wording for judgements and performance descriptors, should be approved by the Chair and Deputy Chair.

[Action – Audit Scotland to review research on the wording of performance descriptors and prepare a Best Value 2 audit guide for interested parties, the content of which to be approved by the Chair and Deputy Chair.]

13. Dundee City Council Best Value 2 pathfinder audit – follow-up meeting with Council leadership

The Commission considered and noted a report of a meeting between Commission members and representatives of the leadership of Dundee City Council on 21 May. The Commission also noted an improvement plan received from the Council and tabled at the meeting.

Following discussion the Commission agreed that the Chair should write to the Council with a copy of the report and highlight key points on which progress should be made.

[Action – Chair to write to the Council with a copy of the report of the meeting.]

14. Angus Council Best Value 2 pathfinder audit – follow-up meeting with Council leadership

The Commission considered and noted a report of a meeting between Commission members and representatives of the leadership of Angus Council on 31 May. The Commission also noted an improvement plan received from the Council and tabled at the meeting.

Following discussion the Commission agreed that the Chair should write to the Council with a copy of the report and highlight key points that it wished to draw to the attention again of those present at the meeting.

[Action – Chair to write to the Council with a copy of the report of the meeting.]

15. Any other business

No other business was intimated.

The next meeting of the Commission will be on Thursday 16 September at Audit Scotland's offices at 18 George Street.