

ACCOUNTS COMMISSION

MEETING 20 JANUARY 2011

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, 9 December 2010, at 11:00 am

PRESENT: John Baillie (Chair)
Michael Ash
Colin Duncan
Bill McQueen
Christine May
Colin Peebles
Linda Pollock
Douglas Sinclair (Deputy Chair)

IN ATTENDANCE: Fraser McKinlay, Controller of Audit and Director of Best Value and Scrutiny Improvement
Barbara Hurst, Director of Performance Audit
Fiona Kordiak, Director of Audit Services
Mark Brough, Secretary & Business Manager
Russell Frith, Assistant Auditor General [Item 8]
Ronnie Nicol, Assistant Director, Performance Audit Group [Items 12 and 13]
Graeme Greenhill, Portfolio Manager, Performance Audit Group [Items 12 and 13]
Corrinne Forsyth, Performance Auditor, Performance Audit Group [Item 13]
Angela Cullen, Assistant Director, Performance Audit Group [Item 14]
Dick Gill, Portfolio Manager, Performance Audit Group [Item 14]
John Lincoln, Project Manager, Performance Audit Group [Item 14]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 4 November 2010
4.	Minutes of meeting of the Performance Audit Committee of 4 November 2010
5.	Minutes of meeting of the Financial Audit and Assurance Committee of 18 November 2010
6.	Chair's introduction
7.	Update report by the Controller of Audit
8.	Pension scheme accounts and 2010/11 audit
9.	South Ayrshire Council Best Value audit progress report – follow-up meeting with Council leadership
10.	Conduct of Commission business
11.	Statutory performance indicators – 2010 Direction
12.	Edinburgh Trams
13.	Maintaining Scotland's Roads
14.	The Cost of Public Sector Pensions

1. Apologies for absence

Apologies were received from Jim King and Graham Sharp.

2. Declarations of interest

Colin Duncan declared an interest in relation to Item 9, in respect of having professional contacts with a number of elected members of South Ayrshire Council, and left the meeting during consideration of that Item. Christine May declared an interest in relation to Item 11, as Chair of the Scottish Library and Information Council.

3. Minutes of meeting of 4 November 2010

The minutes of the meeting of 4 November 2010 were submitted and approved.

4. Minutes of meeting of the Performance Audit Committee of 4 November 2010

The Commission noted the minutes of the meeting of the Performance Audit Committee of 4 November 2010.

5. Minutes of meeting of the Financial Audit and Assurance Committee of 18 November 2010

The Commission noted the minutes of the meeting of the Financial Audit and Assurance Committee of 18 November 2010.

The Commission noted the current issues in councils and the accounting and auditing updates to which the Committee had drawn its attention.

6. Chair's introduction

The Chair reported on—

- The publication on 25 November of the Controller of Audit's report and the Commission findings on Strathclyde Partnership for Transport.
- An invitation from Argyll and Bute Council for representatives of the Commission to visit and discuss progress since its Best Value audit. The Commission agreed that a meeting should be arranged at a suitable date.

7. Update report by the Controller of Audit

The Commission considered and noted a report by the Controller of Audit providing an update on significant recent activity in relation to the audit of local government.

During discussion, the Commission noted that—

- Auditors are currently in the process of presenting annual reports to councils and audit committees;
- The Scottish Government's Draft Budget for 2011/12 had been published on 17 November, and included an accompanying document entitled *Efficiencies from improvement to scrutiny*;
- Funding is to be withdrawn from the Sustainable Development Commission, possibly leading to increased focus on the role that Audit Scotland can play

in auditing the way in which public bodies respond to their sustainable development duties.

8. Pension scheme accounts and 2010/11 audit

The Commission considered a report by the Assistant Auditor General on arrangements for the audit of the first set of separate local authority pension scheme annual accounts, and—

- agreed to set a deadline for completion of the audit of the local authority pension scheme reports and accounts for 2010/11 of 1 December 2011; and
- noted that the deadline for future years is likely to be 30 September.

9. South Ayrshire Council Best Value audit progress report - 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 South Ayrshire Council on 17 November.

Following discussion the Commission agreed that the Chair should write to the Council with a copy of the report, highlighting the positive developments noted at the meeting.

10. Conduct of Commission business

The Commission considered a report by the Secretary and Business Manager on practical and procedural issues arising from the decision of the Commission to hold its meetings in public.

Following discussion, the Commission—

- agreed to amend its Standing Orders to include new paragraphs 14-18 in order to facilitate the handling of business, and to make other minor wording changes; and
- agreed formal guidance to ensure that decisions on how it will consider business, and the circumstances in which it may decide to consider any item of business in private, are as clear and transparent as possible.

The Commission agreed that processes to gather feedback on its meetings should be considered, and that it would consider a review of how its web-site supports its business.

The Commission also considered issues relating to the management of public records and agreed—

- to transfer the minutes of Commission meetings from 1974 to 1994 to the National Archives of Scotland, and
- to authorise the Secretary and Business Manager to consider the approach to compliance with new public records obligations in due course.

11. Statutory performance indicators – 2010 Direction

The Commission considered a report by the Director of Best Value and Scrutiny Improvement incorporating a draft 2010 direction on statutory performance information to be provided under section 1 of the Local Government Act 1992.

The draft direction leaves the information to be published by local authorities unchanged. The draft direction also includes an introduction that indicates that the Commission wishes to encourage the local government community to implement and sustain the infrastructure that will be required to deliver an effective set of performance information for the public that meets the statutory expectations of comparability across councils and over time.

The Commission approved the terms of the draft direction, subject to minor amendments being made to the introduction.

The Commission agreed that consideration should be given in the future to changing indicator 12b in the direction, 'Library users: number of borrowers as a percentage of the resident population', so that it more adequately reflects the range of services now provided by libraries.

12. Edinburgh Trams

The Commission considered a report by the Director of Performance Audit inviting it to consider a progress report and emerging messages on the interim performance audit of the Edinburgh Trams project, being prepared on behalf of the Commission and the Auditor General.

The Commission approved the emerging messages as the basis for a draft report, subject to consideration being given to a number of points raised in discussion.

The Commission agreed that a final draft report should be circulated to all Commission members by correspondence for comment, with any comments to be finalised by the Chair and Deputy Chair.

13. Maintaining Scotland's Roads

The Commission considered a report by the Director of Performance Audit inviting it to consider and approve the draft performance audit report '*Maintaining Scotland's Roads: a follow-up*', prepared on behalf of the Commission and the Auditor General.

The Commission approved the draft report for publication, subject to consideration being given to a number of points raised in discussion and noted that no separate key messages document would be published for this report.

14. The Cost of Public Sector Pensions

The Commission considered a report by the Director of Performance Audit inviting it to consider and approve the draft performance audit report '*The Cost of Public Sector Pensions in Scotland*', prepared on behalf of the Commission and the Auditor General.

The Commission approved the draft report for publication, subject to consideration being given to a number of points raised in discussion, and agreed that the key messages should be finalised accordingly.