

**ACCOUNTS COMMISSION**

**MEETING 19 MAY 2011**

**MINUTES OF PREVIOUS MEETING**

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Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 14 April 2011, at 10:00 am.

PRESENT: John Baillie (Chair)  
Michael Ash  
Alan Campbell  
Sandy Cumming  
James King  
Christine May  
Bill McQueen  
Colin Peebles  
Linda Pollock  
Graham Sharp  
Douglas Sinclair (Deputy Chair)

IN ATTENDANCE: Fraser McKinlay, Controller of Audit and Director of Best Value and Scrutiny Improvement  
Fiona Kordiak, Director of Audit Services  
Mark Brough, Secretary & Business Manager  
Antony Clark, Assistant Director, Best Value and Scrutiny Improvement  
Gordon Neill, Portfolio Manager, Best Value and Scrutiny Improvement [Item 8]  
Barbara Hurst, Director of Performance Audit [Item 13]  
Angela Canning, Assistant Director, Performance Audit Group [Item 13]  
Claire Sweeney, Portfolio Manager (Primary and community care), Performance Audit Group [Item 13]  
Carolyn Smith, Project Manager, Performance Audit Group [Item 13]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 17 March 2011
5.	Minutes of meeting of the Performance Audit Committee of 17 March 2011
6.	Chair's introduction
7.	Update report by the Controller of Audit
8.	Best Value audit of fire and rescue services
9.	Scottish Government consultations on the future of policing and the future of the fire and rescue service in Scotland
10.	Northern Joint Police Board and Northern Constabulary
11.	Best Value in Public Services – Guidance for Accountable Officers
12.	Accounts Commission Digest
13.	Performance audit on Community Health Partnerships.

1. Apologies for absence

Apologies were received from Colin Duncan.

2. Declarations of interests

No declarations of interests were made.

3. Decisions on taking business in private

The Commission agreed to take item 13 in private in order to allow deliberation on a draft report.

4. Minutes of meeting of 17 March 2011

The minutes of the meeting of 17 March 2011 were submitted and approved.

5. Minutes of meeting of the Performance Audit Committee of 17 March 2011

The Commission noted the minutes of the meeting of the Performance Audit Committee of 17 March 2011.

6. Chair's introduction

The Chair reported that—

- he had received and circulated a letter from the Leader and Chief Executive of Dundee City Council, enclosing a report on progress with implementing the Improvement Plan that arose from the Best Value 2 pathfinder audit published in March 2010;
- a letter from the Chief Executive of The Highland Council, enclosing a minute of a special meeting at which the Commission's recent findings on the Controller of Audit's report on Caithness Heat and Power were considered, had also been received and circulated;
- he and the Deputy Chair had visited Argyll and Bute Council on 31 March at its invitation, and met with the Leader, the Chief Executive and the Head of Improvement and HR. The Chief Executive had given presentation on the improvement work the Council has been doing since its last Best Value audit report in December 2008;
- he had attended a meeting with representatives of the Commission on the Future Delivery of Public Services (Christie Commission) on 7 April, along with the Controller of Audit and the Secretary;
- following the Accounts Commission's strategy seminar on 21/22 March, a report on outcomes and actions would be submitted to a subsequent meeting.

Linda Pollock and Graham Sharp had attended the CIPFA Scotland conference on 17/18 March on behalf of the Commission, and gave a short report back.

Those members who had attended the COSLA conference on behalf of the Commission gave a short report back.

7. Update report by the Controller of Audit

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

During discussion the Commission—

- noted the consultation by the Department of Communities and Local Government on the future of local public audit in England, and requested that it be kept informed of developments; and
- noted that, having met with COSLA, SOLACE, the Improvement Service and Directors of Finance to discuss the continued development of local outcome indicators, cost benchmarking and performance reporting, further discussion on the progress of various initiatives would be helpful before the Commission considers its approach to its 2011 statutory direction in the autumn.

8. Best Value audit of fire and rescue services

The Commission considered a report by the Director of Best Value and Scrutiny Improvement inviting it to consider proposals for its approach to conducting Best Value audit of fire and rescue services, and the reporting arrangements and timetable for the audits.

The Commission noted that it is expected that the audit work will provide evidence on the key issues regarding governance, accountability and the use of resources and on areas for improvement that will be relevant regardless of the future structure of the services.

Following discussion, the Commission agreed—

- that Best Value audit reports on each of the eight local fire and rescue services should be prepared by the Controller of Audit in accordance with Section 102(1) of the Local Government (Scotland) Act 1973;
- that the national overview report on fire and rescue services should be prepared in accordance with Section 97A of the Local Government (Scotland) Act 1973;
- that emerging messages from the local fire and rescue Best Value audit activity should be considered by the Commission in late 2011 before the national summary report is submitted to it;
- to consider the local reports in two sets of four reports in late 2011 and in early 2012;
- to consider the draft national summary report in early 2012, following the second set of local reports;
- that link members should be appointed for each local audit;
- that follow-up meetings should be offered to each fire and rescue authority following publication of the local reports; and
- that the use of fire service peers in the audit should be reviewed half way through the programme of local audits.

9. Scottish Government consultations on the future of policing and the future of the fire and rescue service in Scotland

The Commission considered a report by the Director of Best Value and Scrutiny Improvement on consultations issued by the Scottish Government on the future of policing and the future of the fire and rescue service in Scotland.

Following discussion, the Commission agreed that—

- while it could make no comment on policy matters and would seek to avoid any comment that may be perceived as constraining future audit judgements, audit work done on its behalf provides an evidence base for useful independent comment on the key principles of governance,

accountability and effective use of resources that require to be considered in all models of organising public services;

- draft responses to the consultations should be prepared for it to consider, with a view to a joint submissions with the Auditor General being made to the consultation on police services.

10. Northern Joint Police Board and Northern Constabulary

The Commission considered and noted a report of a meeting between Commission members, Her Majesty's Inspectorate of Constabulary for Scotland and representatives of the Northern Joint Police Board and Northern Constabulary on 4 March. This meeting was a follow-up to the Best Value audit report published in April 2010.

Following discussion the Commission agreed that the Chair should write to the Board with a copy of the report.

11. Best Value in Public Services – Guidance for Accountable Officers

The Commission considered a report by the Director of Best Value and Scrutiny Improvement informing it of the publication by the Scottish Government of guidance for accountable officers on Best Value in Public Services.

During discussion, the Commission noted—

- that the guidance applies to accountable officers of bodies subject to audit by the Auditor General for Scotland;
- the accountability arrangements for such bodies to Scottish Ministers;
- that the way in which Best Value issues are addressed in the audit of these bodies recognises this accountability; and
- that the audit approach will be reviewed in light of the guidance.

12. Accounts Commission Digest

The Commission considered and noted its regular briefing on current issues, and sought further information on a number of points.

13. Performance audit on Community Health Partnerships (In private)

The Commission considered a report by the Director of Performance Audit inviting it to consider and approve the draft performance audit report '*Community Health Partnerships*', prepared on behalf of the Commission and the Auditor General.

Linda Pollock declared an interest as a former Director of Nursing in a primary care trust.

Jim King declared an interest as a non-executive director of two NHS boards.

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.