

ACCOUNTS COMMISSION

MEETING 14 JULY 2011

MINUTES OF PREVIOUS MEETING – 16 JUNE 2011

Minutes of the meeting of the Accounts Commission
held in the offices of Audit Scotland at
18 George Street, Edinburgh, on
Thursday, 16 June 2011, at 10am

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 (BVSI)
Fiona Kordiak, Director of Audit Services
Gordon Smail, Acting Secretary & Business Manager
John Gilchrist, Manager, Audit Strategy [Item 8]
Andrew Laing, HMICS [Items 11,12]
Paul Bullen, HMICS [Items 11,12]
Antony Clark, Assistant Director, BVSI [Items 11,12]
Lesley McGiffen, Portfolio Manager, BVSI [Items 11,12]
Angela Cullen, Assistant Director, Performance Audit Group (PAG)
[Items 13, 14]
Graeme Greenhill, Portfolio Manager, PAG [Item 13]
Michael Oliphant, Project Manager, PAG [Item 13]
Barbara Hurst, Director of PAG [Item 14]
Angela Canning, Assistant Director, PAG [Item 15]

<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 19 May 2011
5.	Minutes of the Financial Audit and Assurance Committee of 12 May 2011
6.	Chair's introduction
7.	Update report by the Controller of Audit
8.	Annual report on audit quality 2010/11
9.	North Ayrshire Council Best Value audit follow-up
10.	Accounts Commission digest
11 and 12	Strathclyde Police and Authority – Best Value audit and inspection
13.	Performance audit on Scotland's public finances
14.	Performance audit programme
15.	Equality and Diversity review report

1. Apologies for absence

Apologies for absence were received from Colin Duncan.

2. Declarations of interest

Christine May declared an interest in Item 14, insofar as the programme of performance audits includes proposals relating to renewables and outsourcing.

3. Decisions on taking business in private

The Commission agreed to take items 12, 13, 14 and 15 in private to allow deliberations on: actions and findings on the joint best value audit and inspection on Strathclyde Police (Item 12); a draft audit report to be published in August (Item 13); a draft programme of performance audits which will be subject to consultation over the summer (Item 14); and its draft review report on equality and diversity which will be published in June (Item 15).

4. Minutes of meeting of 19 May 2011

The minutes of the meeting of 19 May 2011 were submitted and approved.

5. Minutes of the Financial Audit and Assurance Committee of 12 May 2011

The Commission noted the minutes of the meeting of the Financial Audit and Assurance Committee of 12 May 2011.

6. Chair's introduction

The Chair reported that:

- On 19 May, he and the Deputy Chair met with SOLACE to discuss performance indicators and related matters. The Commission noted that it will receive an update report from Audit Scotland in July.
- On 8 June, he and the Deputy Chair met with the Minister for Local Government and Planning. A meeting with the Cabinet Secretary for Finance, Employment and Sustainable Growth will take place at a later date.
- On 8 June, he had chaired a meeting of the Strategic Scrutiny Group.

Mike Ash and Colin Peebles had represented the Commission at the ACPOS conference on 2 and 3 June, and 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 that the appendix setting out details of membership of the Scottish Parliament's Committees will be updated to identify the conveners of each committee and circulated to Commission members for information
- requested Audit Scotland to establish contact with the political parties' spokespersons for local government, as part of Audit Scotland's on-going stakeholder engagement activity

- noted current issues at individual councils, including references to concerns about conduct, which reinforces the need for effective governance and controls.

8. Annual report on audit quality 2010/11

The Commission considered a report by the Assistant Auditor General summarising the arrangements for maintaining a high quality of work by both Audit Scotland and the firms for services provided to the Commission and the Auditor General.

In addition, the Commission was informed that the Performance Audit Group had recently received feedback on a further two of its reports and that the Audit Scotland Board had initiated new arrangements for reviewing quality across the Audit Scotland business groups.

Following discussion, the Commission: noted the report; indicated that it was content with the report's conclusion; and requested a brief update in the autumn on work underway to develop governance of quality across Audit Scotland.

9. North Ayrshire Council Best Value audit follow-up

The Commission considered and noted a report of a meeting between Commission members and representatives of North Ayrshire Council on 18 May.

10. Accounts Commission digest

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

11. Strathclyde Police and Strathclyde Police Authority – Best Value audit and inspection

The Commission considered the report on the Best Value audit and inspection of Strathclyde Police and Strathclyde Police Authority, submitted jointly by the Controller of Audit and Her Majesty's Inspector of Constabulary for Scotland.

During discussion, the Commission sought clarification and further explanation from the Controller of Audit, HMICS and the audit team on a number of points in the report.

12. Strathclyde Police and Strathclyde Police Authority – Best Value audit and inspection (In private)

Following discussion, the Commission agreed to make findings as contained in the report to be published on 14 July 2011.

13. Performance audit on Scotland's public finances (In private)

The Commission considered a report by the Director of Performance Audit inviting it to consider and approve the draft performance audit report on *Scotland's Public Finances*, 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.

14. Performance audit programme (In private)

The Commission considered a paper setting out a proposed programme of national performance audits.

In discussion, the Commission noted and reaffirmed the views expressed by the Performance Audit Committee at its meeting on 9 June.

The Commission also: agreed to extend the definition of the strategic theme on managing budgets to include economic growth and development; approved the proposed programme of performance audits; and approved the timetable for finalising the programme, which includes consultation with stakeholders.

15. Equality and Diversity review report (In private)

The Commission considered a draft annual report on progress with its Single Equality Scheme and approved the report for publication in June.