

ACCOUNTS COMMISSION

MEETING 19 JANUARY 2012

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 December 2011, at 10am

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

IN ATTENDANCE: Barbara Hurst, Director of Performance Audit
Fraser McKinlay, Controller of Audit and Director of Best Value and
Scrutiny Improvement (BVSİ)
Fiona Kordiak, Director of Audit Services
Paul Reilly, Secretary and Business Manager
Diane McGiffen, Chief Operating Officer
Martin Walker, Assistant Director, BVSİ [Items 8, 12 and 16]
Jim Lakie, Project Manager, BVSİ [Item 8]
Antony Clark, Assistant Director, BVSİ [Items 10, 11, 14 and 15]
Gordon Neill, Portfolio Manager, BVSİ [Items 10, 11, 14 and 15]
Mark McCabe, Project Manager, BVSİ [Items 10, 11, 14 and 15]
Fiona Mitchell-Knight, Assistant Director, Audit Services [Item 12]
David McConnell, Assistant Director, Audit Services [Item 12]
Claire Sweeney, Portfolio Manager, Performance Audit [Item 13]
Cathy McGregor, Project Manager, Performance Audit [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 10 November 2011
5.	Minutes of the meeting of the Financial Audit and Assurance Committee of 1 December 2011
6.	Chair's introduction
7.	Update report by the Controller of Audit
8.	Statutory performance information – 2011 Direction

9. Audit Scotland Corporate Plan
 10. Best Value Audit – Central Scotland Fire and Rescue
 11. Best Value Audit – Tayside Fire and Rescue
 12. Shetland Islands Council
 13. Commissioning social care
 14. Best Value Audit – Central Fire and Rescue
 15. Best Value Audit – Tayside Fire and Rescue
 16. Shetland Islands Council
 17. Any other business
-

1. Apologies for absence

There were no apologies.

2. Declarations of interest

The following declarations of interest were made:

- Christine May, in item 7, as a consultant in relation to waste management issues.
- Linda Pollock, in item 13, as a Director of Enable Scotland.

3. Decisions on taking business in private

The Commission agreed that the following items be taken in private:

- Item 13, as it was a draft report
- Items 14, 15 and 16 to allow deliberations on actions arising from their consideration.

4. Minutes of meetings of 13 November 2011

The minutes of the meeting of 13 November 2011 were submitted and approved.

5. Minutes of the meeting of the Financial Audit and Assurance Committee of 1 December 2011

The minutes of the meeting of the Financial Audit and Assurance Committee of 1 December 2011 were submitted and approved

6. Chair's introduction

The Chair reported that:

- He attended the Audit Scotland Board meeting on 24 November
- Along with the Deputy Chair, he met with the Convenor of the Local Government and Regeneration Committee of the Scottish Parliament, Joe Fitzpatrick MSP, on 24 November

- He recorded a podcast for the Lothian and Borders Police Best Value audit and inspection, jointly with Andrew Laing, Her Majesty's Inspector of Constabulary Scotland, on 30 November
- He and the Deputy Chair attended a meeting with the Auditor General for Scotland and Audit Scotland on 7 December
- He attended a meeting of the Performance Audit Committee on 9 December
- He and the Deputy Chair would be attending their regular meeting with COSLA following this Commission meeting on 15 December.

The Commission:

- Agreed that minutes of meetings of the Board of Audit Scotland be circulated to Commission members
(Action: Secretary and Business Manager)
- Noted advice from the Deputy Chair that he chaired a meeting with strategic scrutiny bodies on 14 December, which was a positive one, at which there had been productive discussion.

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:

- Advice from the Controller of Audit that he would submit a report in due course on issues arising from the annual audit of Strathclyde Fire and Rescue Service
- Advice from the Controller of Audit that the Office of the Scottish Charity Regulator had been in ongoing correspondence with the Shetland Charitable Trust over matters associated with its governance, issues arising from which were of relevance to his report on Shetland Islands Council (Item 12 on the agenda)
- Advice from the Controller of Audit that the outcome of National Fraud Initiative work would appear in the draft Local Government Overview report 2011, to be considered by the Commission at its meeting in February 2012.
- Advice from the Chair that he would seek a meeting with the new Minister for Local Government and Planning, to introduce him to the work of the Commission.

Thereafter the Commission agreed to note the report.

8. Statutory Performance Information – 2011 Direction

The Commission considered a report by the Director of BVSI proposing amendments to the existing 2008 Direction for the collection and reporting of Statutory Performance Indicators for 2011/12.

During discussion the Commission:

- Noted advice from the Chair that a workshop on the Commission's strategy in relation to statutory performance information would be held in 2012, which would include the following issues:
 - Considering ongoing work of SOLACE and Improvement Service in relation to council generated performance information
 - How to liaise with councils and other stakeholders on the future of statutory performance information
 - How to liaise with service users on proposals in relation to statutory performance information
- Noted advice from the Chair that he would be revising his covering letter to the Direction to better reflect the direction of travel of the Commission in relation to statutory performance information
- Noted advice from the Controller of Audit that he would continue to liaise with SOLACE and other stakeholders on this issue, and update the Commission as appropriate
- Noted that, in relation to paragraph 11 of the report, to note that the industry standard for invoice payment remains at 30 days, but agreed that it would be desirable to consider for the 2012 Direction the target set by the Scottish Government of 10 days.

(Action: Secretary and Business Manager)

Thereafter the Commission agreed to approve the proposed 2011 Direction.

9. Audit Scotland's Corporate Plan

The Commission considered a report by the Chief Operating Officer of Audit Scotland seeking the Commission's endorsement of Audit Scotland's three-year rolling Corporate Plan.

During discussion the Commission agreed:

- That the following points be raised for consideration in Audit Scotland strategic documentation as appropriate:
 - The need for a clearer and more accurate description of the strategic relationship between the Commission and Audit Scotland, as well as with wider stakeholders
 - The importance of emphasising the aim of securing 'improvement' in the public sector
 - Continuing attention to the need for using as appropriate plain language
 - Local authority members being reflected as stakeholders
 - The use by Audit Scotland of peer review activity

(Action: Secretary and Business Manager, in liaison with Chief Operating Officer, Audit Scotland)

- That it give further consideration at its 2012 strategy seminar to the following:
 - The articulation of the strategic relationship between the Commission and Audit Scotland
 - Sharing knowledge with other stakeholders
 - Developing external activity for Commission members, and thus improving the external profile of the Commission and its members

(Action: Secretary and Business Manager)

Thereafter the Commission agreed to endorse for its interest the Audit Scotland Corporate Plan.

10. Best Value Audit – Central Scotland Fire and Rescue

The Commission considered a report by the Secretary and Business Manager introducing the Best Value audit of Central Scotland Fire and Rescue, and seeking a recommendation on how to proceed.

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

The Commission agreed to note the report and to consider in private its findings.

11. Best Value Audit – Tayside Fire and Rescue

The Commission considered a report by the Secretary and Business Manager introducing the Best Value audit of Tayside Scotland Fire and Rescue, and seeking a recommendation on how to proceed.

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

The Commission agreed to note the report and to consider in private its findings.

12. Shetland Islands Council

The Commission considered a report by the Secretary and Business Manager introducing the Controller of Audit's report on progress made by Shetland Island Council in relation to its improvement plan.

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

- Agreed that the 2011 Overview Report address the issue of the local economic impact of councils reducing their workforces

(Action: Director of BVSI)

- Agreed that the Controller of Audit provide further information to Commission members on the progress of the Council's development of its Asset Management Strategy and of its financial regulations and standing orders

(Action: Controller of Audit)

The Commission agreed to note the report and to consider in private its findings.

13. Commissioning Social Care (in private)

The Commission considered a draft report by the Director of Performance Audit prepared jointly on behalf of the Accounts Commission and the Auditor General for Scotland.

During discussion, the Commission:

- Noted advice from the Director of Performance Audit that discussions were ongoing between Audit Scotland and the Care Inspectorate in relation to some of the detail of the report
- Noted advice from the Director of Performance Audit that the report would reflect very recent developments in relation to:
 - The announcement by the Scottish Government on its proposals to integrate health and social care provision
 - Ongoing issues associated with the withdrawal from the sector of a large-scale service provider

Thereafter Commission approved the draft report for publication, subject to consideration being given to a number of points raised in discussion and to further consultation with performance audit sponsors, Alan Campbell and Colin Duncan.

14. Best Value audit report: Central Fire and Rescue (in private)

The Commission agreed that this item be held in private to allow it to consider actions in relation to its findings.

During discussion, the Commission agreed that its report on an overview of the Best Value audit of fire and rescue services, to be considered in 2012, address the issue of retained firefighters.

(Action: Director of BVSI)

Thereafter, the Commission agreed to make findings as contained in the report to be published in early 2012.

15. Best Value Audit – Tayside Fire and Rescue (in private)

The Commission agreed that this item be held in private to allow it to consider actions in relation to its findings.

Following discussion, the Commission agreed to make findings as contained in the report to be published in early 2012.

16. Shetland Islands Council (in private)

The Commission agreed that this item be held in private to allow it to consider actions in relation to its findings.

Following discussion, the Commission agreed to make findings as contained in the report to be published in early 2012.

17. Any other business

The Chair paid tribute to Caroline Gardner and thanked her for her contribution to the Commission during her tenure as Controller of Audit. On behalf of the Commission he wished her every success in her future career as she leaves Audit Scotland.