

ACCOUNTS COMMISSION

MEETING 13 DECEMBER 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 November 2012, at 10am

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

IN ATTENDANCE: Barbara Hurst, Director of Performance Audit (PAG) [Item 15]
Fiona Kordiak, Director, Audit Services
Fraser McKinlay, Controller of Audit and Director of Best Value and Scrutiny Improvement (BVSU)
Paul Reilly, Secretary and Business Manager
Antony Clark, Assistant Director, BVSU [Items 8 and 9]
Elaine Boyd, Senior Audit Manager, Audit Services [Item 10]
Martin Walker, Assistant Director, BVSU [Items 11 and 14]
Lesley McGiffen, Portfolio Manager, (BVSU) [Items 11 and 14]
Tommy Yule, Project Manager, (BVSU) [Items 11 and 14]
Carol Calder, Portfolio Manager, Best Value, (BVSU) [Item 13]
Jim Lakie, Project Manager, BVSU [Item 13]
Ronnie Nicol, Assistant Director, PAG [Item 15]
Cathy McGregor, Project Manager, (PAG) [Item 15]
Mark Roberts, Portfolio Manager, PAG [Item 15]
David Martin, Chair, Society of Local Authority Chief Executives Scotland [Item 13]
Mark McAteer, Director of Governance and Performance Management, Improvement Service [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 18 October 2012
5.	Minutes of meeting of the Performance Audit Committee of 1 November 2012
6.	Chair's introduction
7.	Update report by the Controller of Audit
8.	Audit of community planning partnerships and outcomes: update
9.	Shared risk assessment: update
10.	Clyde Valley shared services proposals
11.	Best Value audit (follow-up) – Comhairle nan Eilean Siar
12.	Any other business
13.	Statutory performance information - update
14.	Best Value audit (follow-up) – Comhairle nan Eilean Siar
15.	Performance audit – Protecting consumers

1. Apologies for absence

There were no apologies for absence received.

2. Declarations of interest

The following declarations of interest were made:

- Christine May, in item 10, as a consultant in relation to waste management issues.
- Douglas Sinclair, in items 11 and 14, as a former employee of Comhairle nan Eilean Siar, and in item 15, as Chair of Consumer Focus Scotland.

3. Decisions on taking business in private

It was proposed that items 13 to 15 should be taken in private as they include draft reports and confidential issues.

4. Minutes of meeting of 18 October 2012

The minutes of the meeting of 18 October 2012 were submitted and approved.

5. Minutes of the meeting of the Performance Audit Committee of 1 November 2012

The minutes of the meeting of the Performance Audit Committee of 1 November 2012 were submitted and approved.

6. Chair's introduction

The Chair reported that—

- On 23 October, he attended a meeting of auditors in relation to a range of public audit issues, including planning the external audit process.

- Also on 23 October, he attended a meeting in the Scottish Parliament of the National Group on Community Planning.
- On 24 October, he attended a meeting of the Audit Scotland Board to discuss its strategy.
- On 25 October, he and Douglas Sinclair met with John Swinney, Cabinet Secretary for Finance, Employment and Sustainable Growth and Derek MacKay, Minister for Local Government and Planning, to discuss progress with the audit of community planning partnerships and outcomes, which was to be discussed further at this meeting.
- On 7 November, he – along with Sandy Cumming and Christine May – met with representatives of Midlothian Council to discuss the Best Value audit of the Council, which was published on 7 June.
- Also on 7 November, he – along with Douglas Sinclair and Jim King – met with representatives of SOLACE to discuss progress with their benchmarking project, which was to be discussed further at this meeting.

7. Update report by the Controller of Audit

The Commission considered 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 agreed to note advice from the Controller of Audit that he provide further information on the plans by Aberdeen City Council to set up a special arm's length company to run services for older people.

Thereafter the Commission agreed to note the report.

8. Audit of community planning partnerships and outcomes: update

The Controller of Audit provided a verbal update on the progress of the audit of community planning partnerships and outcomes.

The Commission agreed to note the update.

9. Shared risk assessment: update

The Controller of Audit provided a verbal update on the shared risk assessment process.

The Commission agreed to note the update.

10. Clyde Valley Shared Services Proposals

The Commission considered a paper by the Director of Audit Services which provided an update on the current position relating to the Clyde Valley shared services proposals.

During discussion the Commission agreed that the Director of Audit Services and the Controller of Audit produce a paper for the Performance Audit Committee in relation to:

- how to investigate the experience so far in Scottish local government – and perhaps in the wider public sector – in relation to shared services

- experience in the private sector
- experience beyond Scotland.

Thereafter the Commission agreed to note the report

11. Best Value audit (follow-up): Comhairle nan Eilean Siar

The Commission considered a report by the Controller of Audit on the Best Value audit of Comhairle nan Eilean Siar and seeking direction on how to proceed.

During discussion, the Commission:

- Noted advice from the Controller of Audit that the cover of the report erroneously included the word 'draft'.
- 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. Any other business

The Commission noted that there was no other business to be considered.

13. Statutory performance information – update [in private]

The Commission agreed that this item be held in private because it would involve discussion of options open to the Commission in relation to performance information.

The Commission considered a report by the Controller of Audit setting out:

- the current position with the Society of Local Authority Chief Executives (SOLACE) benchmarking project
- an evaluation of the existing statutory performance indicators
- the findings from work undertaken in conjunction with Consumer Focus Scotland
- recommendations for the Commission's 2012 Direction.

The Chair welcomed David Martin, Chair, Society of Local Authority Chief Executives (SOLACE) Scotland, and Mark McAteer, Director of Governance and Performance Management, Improvement Service, to the meeting. They gave a presentation on the ongoing benchmarking project, led by SOLACE. They answered questions from members and then left the meeting, with the Chair thanking them for their presentation.

Following discussion the Commission agreed to:

- Endorse the SOLACE benchmarking project, subject to SOLACE providing assurance that the resourcing of the project would allow it to sustain benchmark indicators in the future.
- Note that the auditor's duty to ensure adequate arrangements for collection and recording information, and for publishing it, will continue.
- Continue with SPIs 1 and 2 which cover a broad range of corporate and service areas and provide the Commission with the assurance that councils

will include these key service issues in their public performance reporting (PPR), while at the same time acknowledging that councils have primary responsibility for selecting the information they choose to present in their reporting framework.

- Note that current auditor guidance would be amended to clarify the auditor's duty including reporting requirements on councils' PPR arrangements.
- Delete the 25 specific SPIs from the 2012 Direction.
- Use the foreword to the 2012 Direction to emphasise that:
 - the Commission will continue to use SPI 1 and 2 and the SOLACE benchmark indicators to review and report on the quality and comprehensiveness of individual councils' PPR reports
 - a review of audit requirements around PPR will take place
 - consideration will be given to a report on PPR, for example as part of the Commission's *How Councils Work* series
 - the Commission reserve the right to reconsider its position in relation to specified indicators if sufficient progress in PPR and the SOLACE benchmarking project does not materialise.
- Delete reference to performance indicators for police and fire services in the 2012 Direction, as a result of the Police and Fire Reform (Scotland) Bill.
- Agree that Audit Scotland be represented on the SOLACE project board as an observer, to oversee the benchmark project and to influence the direction of travel.
- Ask Audit Scotland to further evaluate the work undertaken with Consumer Focus Scotland, consult with other interested parties, and report back to a future Commission meeting on potential performance indicators.

Thereafter the Commission agreed to note the report.

14. Best Value Audit (follow-up) – Comhairle nan Eilean Siar [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 course.

The Chair thanked the audit team for its work.

15. Performance Audit report – Protecting Consumers [in private]

The Commission considered a report by the Director of Performance Audit seeking approval of the draft report and key messages in relation to the performance audit of consumer protection services.

Following discussion, the Commission agreed:

- That the Director consider, in conjunction with the performance audit sponsors, Mike Ash and Christine May, how to best promote the report, including:
 - liaising with CoSLA

- the use of press articles.
- To approve the draft report, subject to consideration being given to a number of points raised in discussion and to further consultation with performance audit sponsors.

Action: Director of Performance Audit