

Minutes of Meeting of the
Accounts Commission held in
Murrayshall House Hotel,
Perthshire on Wednesday 8
December 2004 at 11am.

PRESENT: A MacNish (Chair)
A Alexander
J Baillie
O Clarke
J Couper
A Faulds
K Geddes
A Leslie
I Low
P McKinlay
M Raj
I Robertson

IN ATTENDANCE: C Gardner, Deputy Auditor General
H Hall, Managing Director Audit Services
W F Magee, Secretary
D Pia, Director of Performance Audit (Local Government) (Items 8 & 9)
M Alcock, Portfolio Manager Performance Audit (Item 9)

<u>Item No</u>	<u>Subject</u>
1.	Minutes
2.	Chair's Introduction
3.	Scottish Executive
4.	Deputy Auditor General
5.	Managing Director Audit Services
6.	Performance Audit Committee
7.	Financial Audit and Assurance Committee
8.	Proposed Study Programme for Audit Scotland 2004/2006
9.	Proposals Relating to Police Call Management and Response Times to Emergency Calls
10.	Audit Scotland Financial and Performance Information
11.	Appointment of Auditors
12.	New Audited Bodies
13.	Angus Council – Best Value Audit
14.	Future Meetings

1. Minutes

The minutes of meeting of 13 October 2004 were submitted and approved.

2. Chair's Introduction

Alastair MacNish referred to a number of matters of current interest –

- He chaired a recent conference organised by APSE on Best Value at which various councillors and officers spoke positively about the introduction of the Best Value audit
- He proposes to meet Tom McCabe MSP the newly appointed Minister for Finance and Public Service Reform in the near future
- The first of the PI pamphlets on Police and Fire services will be published on 10 January.

3. Scottish Executive

The Secretary referred to recent discussions with representatives of the Commission's sponsor branch in the Scottish Executive indicating that consideration is being given to conducting a quinquennial review of the Commission in 2005 and that this will relate to further progress in finalising the framework document. He also referred to the intention of Ministers to make an Order which will have the effect of obliging councils to have regard to the Code of Guidance on Following the Public Pound. The Commission noted the position.

4. Deputy Auditor General

Caroline Gardner advised the Commission of further developments in the Efficient Government initiative –

- The work which Audit Scotland does on behalf of the Commission and the Auditor General all has a relevance to the initiative
- It is proposed to undertake some work, together with the Audit Commission, on benchmarking in back office services
- An element of the initiative relates to the possible streamlining of audit, inspection and regulation functions.

5. Managing Director Audit Services

Hugh Hall advised the Commission of a number of matters of current interest –

- All the local government audits in the Audit Services portfolio are complete
- Pilots of the modernised approach will be undertaken in Angus and Edinburgh, and a copy of the priorities and risks framework audit tool are available for Commission members' information.

6. Performance Audit Committee

The minutes of meeting of the Performance Audit Committee of 13 October 2004 were submitted. Isabelle Low made particular reference to progress being made with the studies on a Teaching Profession for the 21st Century and Following the Public Pound. The Commission noted the minutes and approved the recommendations contained therein.

7. Financial Audit and Assurance Committee

John Baillie advised the Commission of the outcome of discussions at the Financial Audit and Assurance Committee meeting held on 2 December 2004 and in particular made reference to –

- The development of the modernised audit approach
- The outcome of the quality assurance programme
- The timetable for the procurement process
- The need to formulate a position on local government pensions
- The need for further action on the question of Audit Committees in local authorities.

The Commission noted his report.

8. Proposed Study Programme for Audit Scotland 2004/2006

Alan Alexander, Jean Couper, Keith Geddes and Isabelle Low each declared an interest in this item in respect of their membership of public bodies which come within the remit of the Auditor General's section of the proposed programme.

There was submitted a report by Caroline Gardner setting out proposals for the future Audit Scotland Performance Audit Study Programme 2004/06, presented under three main groupings –

- i. Auditor General reports
- ii. Accounts Commission reports
- iii. Joint AGS/Accounts Commission reports.

A summary list of the proposed study programme accompanied the report.

In discussion reference was made to the impact of the Efficient Government initiative, possible Controller of Audit reports and the Commission's concerns about the operation of Audit Committees and pension schemes in local government. Thereafter the Commission agreed –

- i. to approve the proposed study programme as submitted, and
- ii. to request that future reports on proposed study programmes should be presented in a way which deals separately with proposals for the Accounts Commission and proposals for the Auditor General.

9. Proposals Relating to Police Call Management and Response Times to Emergency Calls

There was submitted a report by David Pia referring to the Commission's request for further proposals on an appropriate timetable for a study on police call management and on options relating to the possibility of conducting an earlier study reviewing response times to emergency calls. The report dealt with the background on police call management, police response times and options for the Commission. After discussion, and in view of the issues raised in the report, the Commission agreed –

- i. that the Chair should seek a meeting with senior representatives of the police service to discuss possible ways forward if difficulties in obtaining data are not resolved, and

- ii. in the meantime work should continue in scoping a Performance Audit Study of police call management as proposed in option 1 in the report.

10. Audit Scotland Financial and Performance Information

There was submitted an noted a report presenting financial and performance information for Audit Scotland to 30 September 2004.

11. Appointment of Auditors

There was submitted a report by Russell Frith, Director of Audit Strategy, concerning auditors of local authorities who are members of staff of Audit Scotland. The report referred to the practice of naming members of staff of Audit Scotland to undertake each audit which does not provide any flexibility when staff move or are promoted nor if the named member of staff is ill when the audit needs to be finalised. The report also referred to the recent restructuring of the Audit Services Group within Audit Scotland whereby the team undertaking the local government audit will in future be led by a Director, two Assistant Directors, Chief Auditors and Senior Audit Managers.

After consideration the Commission agreed to approve the following arrangements under section 53 of the Local Government in Scotland Act 2003 –

The Commission hereby approves the following arrangements for assistance to be provided to a member of staff of Audit Scotland who is appointed as the auditor of such local government bodies as the Commission may decide from time to time.

1) In the audit of local authorities that are councils the auditor may be assisted in the performance of his/her functions under section 99 (1) (a), (b) and (d) and section 101 (4) of the Local Government (Scotland) Act 1973 and in the audit of grant claims by such appropriately qualified member of staff of Audit Scotland who is the Managing Director or such Assistant Director as the appointed auditor may decide.

2) In the audit of joint boards, joint committees or other bodies where the provisions of Part VII of the Local Government (Scotland) Act 1973 apply the auditor may be assisted in the performance of his/her functions under section 99 (1) (a), (b) and (d) and section 101 (4) of the Local Government (Scotland) Act 1973 and in the audit of grant claims by such appropriately qualified member of staff of Audit Scotland who is the Managing Director, or such Assistant Director or Senior Audit Manager as the appointed auditor may decide.

The Commission further agreed that the auditor of all the local government audits carried out by Audit Services Group as listed in the report for the financial years ending 31 March 2005 and 2006 be Gavin Stevenson, Director, Audit Services Group.

12. New Audited Bodies

There was submitted a report by Russell Frith, Director of Audit Strategy, advising the Commission that two similar joint committees have recently been identified as coming within the audit provisions of Part VII of the Local Government (Scotland) Act 1973. After consideration the Commission approved the recommendations in the report for the appointment of auditors as follows –

West of Scotland European Consortium –	Gavin Stevenson, Director of Audit Services (Local Government), Audit Scotland
East of Scotland European Consortium –	KPMG LLP

13. Angus Council – Best Value Audit

There was submitted a letter of 29 November 2004 from the Chief Executive of Angus Council enclosing an Improvement Plan approved by Angus Council in consequence of the Commission's findings arising from consideration of the Controller of Audit's report on the Best Value audit of that Council. Also enclosed was a proposed newspaper advertisement summarising the content of the Plan.

There was also submitted a report by Caroline Gardner on the terms of the Improvement Plan, drawing attention to two specific recommendations contained in the audit report which were not explicitly contained in the Council's submitted Plan –

- Making better use of benchmarking and comparative analysis both corporately and across services
- Producing baseline performance reports for all services to the end of 2003/4.

After discussion the Commission agreed –

- i. to note the Improvement Plan submitted by Angus Council in response to the Commission's findings;
- ii. to draw the attention of Angus Council to the omission of the points referred to in Caroline Gardner's report;
- iii. to propose that the points be covered in a future discussion between representatives of the Commission and of Angus Council, and
- iv. to approve the terms of the draft newspaper advertisement submitted by Angus Council.

14. Future Meetings

The Commission agreed that the Secretary should circulate proposals for a revised programme of meetings in 2005 in the light of the Commission's wish to hold Committee meetings on separate days from Commission meetings.