

ACCOUNTS COMMISSION

MEETING 14 JUNE 2012

MINUTES OF MEETING OF 17 MAY 2012

Minutes of the meeting of the Accounts Commission
held in the offices of Audit Scotland at
18 George Street, Edinburgh, on
Thursday, 17 May 2012, at 10am

PRESENT: John Baillie (Chair)
Michael Ash
Alan Campbell
Sandy Cumming
Colin Duncan
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
Paul Reilly, Secretary and Business Manager
Ronnie Nicol, Assistant Director, Performance Audit
Martin Walker, Portfolio Manager (Best Value), BVSI [Items 10 to 13]
Carol Calder, Portfolio Manager (Best Value), BVSI [Items 10 and 12]
Fiona Selkirk, Project Manager, BVSI [Items 10 and 12]
Lorna Skirving, Portfolio Manager (Best Value), BVSI [Items 10 and 12]
Peter Worsdale, Project Manager, BVSI [Items 10 and 12]
Antony Clark, Assistant Director, BVSI [Item 14]
John Gilchrist, Manager, Audit Strategy [Item 15]
Andrew Laing, Her Majesty's Inspector of Constabulary for Scotland
[Items 11 and 13]
Inspector Paul Bullen, Her Majesty's Inspector, Her Majesty's
Inspectorate of Constabulary Scotland [Items 11 and 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 15 March 2012
5.	Minutes of the meeting of the Performance Audit Committee of 29 March 2012
6.	Chair's introduction
7.	Controller of Audit
8.	Local government election 2012
9.	Update report by the Controller of Audit
10.	Best Value Audit – Midlothian Council
11.	Best Value Audit – Dumfries and Galloway Constabulary
12.	Best Value Audit – Midlothian Council
13.	Best Value Audit – Dumfries and Galloway Constabulary
14.	The audit of community planning partnerships
15.	National Fraud Initiative: 2010/11 exercise
16.	Any other business

1. Apologies

Apologies for absence were submitted from Jim King. Apologies for leaving the meeting early were intimated by Christine May.

2. Declarations of interest

The following declarations of interest were made:

- Colin Duncan, in item 10, as a family member is an employee of Midlothian Council.
- Christine May, in item 10, as a family member is an employee of Midlothian Council.
- Linda Pollock, in item 10, as she is a former Director of NHS Lothian.

3. Decisions on taking business in private

The Commission agreed to take the following items in private:

- Items 12 and 13, to allow deliberations on actions arising from the reports.
- Items 14 and 15, to allow consideration of draft reports.

4. Minutes of meetings of 17 March 2012

The minutes of the meeting of 17 March 2012 were submitted and approved.

Arising therefrom, the Commission:

- Noted advice from the Controller of Audit that the statutory finance officers of Aberdeenshire and Shetland Islands councils were members of their respective corporate management teams.
- Agreed that the Controller of Audit provide analysis, on a council-by-council basis of the positions of statutory finance officers in all Scottish councils.

(Action: Controller of Audit)

- Noted advice from the Controller of Audit that he would be having discussions with the new Auditor General for Scotland about the process for participating in private briefings with parliamentary committees.

5. Minutes of the meeting of the Performance Audit Committee of 29 March 2012

The minutes of the meeting of the Financial Audit and Assurance Committee of 29 March 2012 were submitted and approved.

6. Chair's introduction

The Commission noted advice from the Chair that:

- On 21 March, he and the Deputy Chair met Iain Gray, Convener of the Public Audit Committee of the Scottish Parliament, to discuss how the Commission and the Committee work together.
- On 22 March and on 26 April, he attended meetings of the Audit Scotland Board.
- On 22 March, he attended a meeting with the Scottish Government to discuss engagement between the Government and Non-Departmental Public Bodies.
- On 26 March, the Deputy Chair, Mike Ash and Graeme Sharp met with Tayside Fire Board to discuss the Best Value audit of Tayside Fire and Rescue, which was published on 2 February.
- On 27 March, he and Alan Campbell met with representatives of Fife Police Fire & Safety Committee to discuss the Best Value audit of Fife Fire and Rescue, which was published on 16 February.
- On 28 March, he briefed the Scottish Parliament's Public Audit Committee on our Local Government Overview report, which was published on 15 March.
- He and the Deputy Chair attended meetings of the Community Planning Partnership audit steering group meeting on 29 March and 26 April, with the Chair of the Performance Audit Committee joining us for the latter meeting and from now on.
- On 5 April, the Commission – represented by him and the Chairs of Financial Audit and Assurance and Performance Audit committees (Bill McQueen and Douglas Sinclair) - convened the latest meeting with strategic scrutiny bodies.

- On 12 April, he, Linda Pollock, Graham Sharp met with representatives of Dumfries and Galloway Police Fire and Safety Committee to discuss the Best Value audit of Dumfries and Galloway Fire and Rescue, which was published on 9 February.
- On 18 April, the Deputy Chair and Mike Ash met with representatives of Strathclyde Fire Board to discuss the Best Value audit of Strathclyde Fire and Rescue, which was published on 29 March.
- On 19 April, he and the Chairs of Chairs of Financial Audit and Assurance and Performance Audit committees (Bill McQueen and Douglas Sinclair) interviewed candidates for the role of Controller of Audit, which was to be discussed further in this meeting.
- On 25 April, he, Christine May and the Deputy Chair met with representatives of Highlands and Islands Fire and Rescue Joint Board to discuss the Best Value audit of Highlands and Islands Fire and Rescue, which was published on 8 March. A further meeting is to take place in early June.
- On 26 April, he met with Paul Grice, Chief Executive, Scottish Parliament, to discuss working between the two bodies.
- On 2 May, the Commission had an informal meeting to discuss the proposed audit of community planning partnerships and outcomes, which would be the subject of further discussion in this meeting.
- The Commission held its annual strategy seminar on 16 and 17 April, the outputs of which would be considered at forthcoming meetings of the Commission.
- On 29 March, the Scottish Parliament approved the nomination of Caroline Gardner as the next Auditor General, and that the Commission would mark the retirement of the current Auditor General, Bob Black, with an informal lunch at the next meeting of the Commission on 14 June.
- At its annual strategy seminar, the Commission agreed to postpone its scheduled meeting in July, which will now take place on 23 August.

7. Controller of Audit

The Commission considered a report by the Secretary and Business Manager advising of the progress of the process to recruit a new Controller of Audit, and to seek the Commission's approval to proceed further and conclude the matter.

The Commission:

- Noted advice from the Chair that he had convened a panel comprising himself and the Chairs of Financial Audit and Assurance and Performance Audit committees (Bill McQueen and Douglas Sinclair) to interview candidates for the role of Controller of Audit, and to make a recommendation therefrom to the Commission.

- Agreed to approve the recommendation of the panel that Fraser McKinlay be appointed as Controller of Audit, subject to the approval of the Cabinet Secretary.

8. Local Government election 2012

The Commission considered a paper by the Secretary and Business Manager summarising the outcome of the local government election 2012.

The Commission:

- Noted a paper tabled by the Secretary and Business Manager setting out more recently updated information on the outcome of the election.
- Noted advice from the Secretary and Business Manager that the implications of the local government elections on the Convention of Scottish Local Authorities was as yet unclear.
- Agreed that a paper setting out the definitive position on the leadership and political control of councils be provided to Commission members.

(Action: Secretary and Business Manager)

9. 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.

The Commission:

- Agreed that the Controller of Audit provide further information on the proposed savings from local audit reforms in England.

(Action: Controller of Audit)

- Noted the report.

10. Best Value Audit: Midlothian

The Commission considered a report by the Secretary and Business Manager introducing the Best Value audit of Midlothian Council and seeking direction 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.

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

11. Best Value Audit – Dumfries and Galloway Constabulary

The Commission considered a report by the Secretary and Business Manager introducing the Best Value audit of Dumfries and Galloway Constabulary and seeking direction on how to proceed.

The Chair welcomed Andrew Laing, Her Majesty's Inspector of Constabulary for Scotland and Inspector Paul Bullen, Her Majesty's Inspector, Her Majesty's Inspectorate of Constabulary Scotland, who with the audit team presented the report.

During discussion, the Commission sought clarification and further explanation from the Controller of Audit, Her Majesty's Inspector of Constabulary and the audit team on a number of points in the report.

The Commission:

- Agreed that the national overview report on the Best Value audits of police include reference to the issue of size and make-up of police boards or committees.
- Agreed to note the report and to consider in private its findings.

12. Best Value Audit – Midlothian 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 course.

13. Best Value Audit – Dumfries and Galloway Constabulary (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.

14. The audit of community planning partnerships

The Commission considered a report by the Director of Best Value and Scrutiny Improvement seeking endorsement on the proposed approach to the Community Planning Partnership (CPP) and outcomes audit.

The Commission agreed to note the progress and endorsed the approach to auditing CPPs as set out in the paper attached to the report.

15. National Fraud Initiative: 2010/11 exercise

The Commission considered a report by the Assistant Auditor General informing and reporting on the success of the latest exercise and seeking support for naming the only council where the local auditor had concluded that their arrangements for NFI were not good enough and a council exhibiting particularly good practice.

The Commission:

- Noted the success of NFI in helping councils and other public bodies to detect and deter fraud and error.
- Agreed that the report name bodies that most need to improve.

- Agreed that the Assistant Auditor General consider appropriate titling of future reports to reflect their scope beyond fraud.

(Action: Assistant Auditor General)

- Endorsed the report.

16. Any other business

There was no other business to be considered.