

# Programme of Performance Audits 2009/10



Prepared for the Auditor General for Scotland and the Accounts Commission  
February 2009

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

# Audit Scotland

## Programme of Performance Audits 2009/10

### Introduction

This publication sets out the Audit Scotland programme of national performance audits for 2009/10. The reports we will be producing are presented in three groups:

- Auditor General reports
- Accounts Commission reports
- Joint reports for both the Auditor General and the Accounts Commission.

A summary list of the programme appears on [pages 3 and 4](#).

### About the programme

The series of performance audits outlined in this document has been prepared taking account of the views expressed by the Scottish Parliament, officials within the Scottish Government, COSLA, SOLACE and by other organisations and people we work with. Opinions were sought through a consultation exercise we conducted in 2008. The consultation was designed to reflect the range of responsibilities covered by both the Auditor General and the Accounts Commission, and the type of projects that might be of most value.

We consulted widely and gathered views from a cross section of local and national public sector organisations. The response to the list of potential topics we presented was positive, and we received

useful suggestions about how our proposals might best be developed.

We received responses from 63 bodies with 561 comments on individual study proposals. We considered the potential study topics further in the light of the consultation responses and in the context of our capacity and other commitments.

This programme forms the basis of our performance audit work through to the end of 2010. The programme includes a series of new projects and work that is in progress. Several follow-up studies are included in the programme. These are important to help us monitor progress and assess whether public bodies have implemented recommendations from previous national studies. It is a balanced programme across local government, central government and health. The programme is designed to provide a mix of projects reflecting the range of responsibilities covered by the Accounts Commission and the Auditor General together with a number of joint studies where the subject matter is of interest to both.

National studies complement other audit work including best value audits in local government, overview reports on key areas of public policy and annual financial audits. It is important that the range

of audit work generates reports on major themes and, in devising this programme, we have included studies relating to partnership working, financial sustainability, use of resources and value for money - all important and topical public policy subjects. We also include proposals that evaluate the impact of new legislation and relate to best value and efficient government.

For each project we will develop a brief setting out the focus of the study, how we will carry it out, how long it will take to complete and its anticipated impact. For a few projects we will need to consider the best timing, particularly where they examine the effects of new policies. Our schedule is flexible to allow us to react when unexpected issues arise that need immediate investigation. For these reasons publication dates shown for studies are indicative and will be confirmed as the programme develops.

The Auditor General's role is to report on Scottish Government directorates and most other public sector organisations. His reports are presented to the Public Audit Committee of the Scottish Parliament.

The Accounts Commission reports on local government, including police and fire & rescue boards.

The Auditor General and the Accounts Commission conduct joint studies when the subject covers both areas of responsibility.

Audit Scotland carries out work for the Auditor General and the Accounts Commission.

# Auditor General reports

Central Government	Indicative publication date
<b>New reports</b>	
Financial management in the Scottish Government	Summer 2009
Cairngorm funicular railway	Summer 2009
Enterprise funding streams	Spring 2010
The role of Boards	Spring 2010
Concessionary fares	Summer 2010
Scottish Police Services Authority	Autumn 2010
Efficient justice	Winter 2010
<b>Follow-up reports</b>	
Public sector pension schemes in Scotland	Spring 2010
Major capital projects	Autumn 2010

For more information on central government studies please email Angela Cullen (acullen@audit-scotland.gov.uk)

Health	Indicative publication date
<b>Reports in progress</b>	
Using medicines in hospital follow-up	April 2009
<b>New reports</b>	
New waiting times arrangements	Winter 2009
Specialty efficiency – orthopaedics	Winter 2009
Medical locums	Spring 2010
Pay modernisation	Spring 2010
Emergency care	Autumn 2010
<b>Follow-up reports</b>	
Information management and technology	Autumn 2009
Diagnostics	Spring 2011
<b>Other reports</b>	
NHS overview reports (performance and financial)	December each year
<b>Management development paper</b>	
Workforce development	Ongoing

For more information on health studies please email Angela Canning (acanning@audit-scotland.gov.uk)

# Accounts Commission reports

Local Government	Indicative publication date
<b>Reports in progress</b>	
Local government overview	February each year
Asset management in councils	April 2009
<b>New reports</b>	
Physical recreation services in local government	Spring 2010
Managing unit costs	Spring 2010
Management of local government pension funds	Summer 2010
Best Value and resource management series	Winter 2009 – Spring 2011
Impact of liquor licensing	Summer 2011
Physical planning services in local government	Summer 2011

For more information on local government studies please email Ronnie Nicol (rnicol@audit-scotland.gov.uk)

# Joint AGS/Accounts Commission reports

	Indicative publication date	Contact
<b>Reports in progress</b>		
Overview of drug and alcohol services	March 2009	acanning@audit-scotland.gov.uk
Mental health overview	April 2009	acanning@audit-scotland.gov.uk
Civil contingencies planning	May 2009	rnicol@audit-scotland.gov.uk
Strategic procurement	May 2009	acullen@audit-scotland.gov.uk
Environment overview	Autumn 2009	acullen@audit-scotland.gov.uk
<b>New reports</b>		
Delivering efficiencies	Summer 2009	acullen@audit-scotland.gov.uk
Looked after children in residential settings	Winter 2009	rnicol@audit-scotland.gov.uk
Mental health (second report in the series)	Spring 2011	acanning@audit-scotland.gov.uk
Community Health Partnerships	Spring 2011	acanning@audit-scotland.gov.uk
Community Planning	Summer 2011	rnicol@audit-scotland.gov.uk
Commonwealth Games	Ongoing review	acullen@audit-scotland.gov.uk
<b>Follow-up reports</b>		
Roads maintenance	Winter 2009	acullen@audit-scotland.gov.uk

# Auditor General reports

## Central Government

### New reports

#### **Financial management in the Scottish Government**

This study will examine financial management and budgeting within the Scottish Government focusing on budget assumptions, financial outturn compared to budget and financial management arrangements.

#### **Cairngorm funicular railway**

Following ongoing financial difficulties with the operation of the funicular, Highlands and Islands Enterprise (HIE) took over the operator in May 2008. This study will examine HIE's plans for the future operation of the funicular and relevant historical events and activity.

#### **Enterprise funding streams**

Scottish Enterprise and HIE provide support and significant funding for a range of activities relating to business development, growth, innovation and for developing links to global markets for Scottish businesses. We will consider the effectiveness of various funding streams. The study will examine how agencies evaluate outcomes and how this evaluation is used to inform spending decisions.

#### **The role of Boards**

Boards play a crucial role in ensuring that governance standards are maintained in public sector organisations. There are

recent examples of the failure of public sector organisations to establish an adequate Board. We will assess how Board members are selected and whether the membership of Boards is appropriate. In this study we will also review how the performance of Boards is measured and the arrangements for induction and training for non-executive members.

#### **Concessionary fares**

In this study we will assess the Scottish Government's initial approach to concessionary fares, including whether the estimates of demand and project costs were accurate. We will also review risk management arrangements and assess any impact on schemes such as the national entitlement card. We will consider the financial sustainability of the scheme and its impact and implications at a local level.

#### **Scottish Police Services Authority**

The study will examine the extent to which the SPSA is addressing its objectives in connection with promoting efficiency and effectiveness by providing expert policing and support services; establishing and maintaining the Scottish Crime and Drug Enforcement Agency; and providing services to Scotland's eight police forces and to the wider criminal justice community.

## Efficient justice

This study will examine the extent to which recent reforms affecting high courts and summary justice have delivered more efficient justice, in terms of improved court proceedings and outcomes.

### Follow-up reports

#### **Public sector pension schemes in Scotland**

This study will follow up on our 2006 report providing an update position on the six main public sector pension schemes.

#### **Major capital projects**

The Scottish Government, its agencies and Non Departmental Public Bodies (NDPBs), and the NHS are currently progressing some 100 major projects, with forecast investment of some £10.5 billion between 2008-09 and 2010-11. This follow-up report will examine changes in response to the recommendations in our June 2008 review of Major Capital Projects and consider how projects are delivered in relation to cost, time and quality.

## Health

### Reports in progress

#### **Using medicines in hospital follow-up**

We are assessing the progress made by the Scottish Government, NHS boards and other national bodies against the recommendations in our 2005

report. This study will comment on actions taken by NHS boards to plan, manage and monitor the use of medicines in hospital. It will also review progress towards developing and implementing a national electronic prescribing and medicines review system and the development of workforce planning for pharmacy staff.

## New reports

### New waiting times arrangements

New Ways is a new approach to defining, recording and measuring waiting times for patients in Scotland. It was first announced by the Scottish Executive Health Department in 2004 and it came into effect on 1 January 2008. The study will include systems testing of patients' records to ensure that the guidance is being applied as intended.

### Specialty efficiency – orthopaedics

Orthopaedics is a large and complex specialty with a high volume of inpatients, outpatients and day cases. NHS boards' total expenditure on the orthopaedics specialty in 2006/07 was around £333 million, the third highest cost specialty. The study will examine how well services are managed, productivity, efficiency and effectiveness, demand and capacity, accessibility and waiting times.

### Medical locums

In 2006, there were 240 locum doctors in Scotland out of a total workforce of around 10,500. The cost of locum consultants in 2005 was £11.6 million and so the overall cost of all locum doctors is likely to be higher. Our study will look at the extent and efficiency of

use of locum doctors; reasons for their use; efficiency of managing contracts with agencies; and effectiveness of their appointment and induction processes.

### Pay modernisation

Several major NHS contracts have been agreed over the last few years and we have reviewed the consultant contract, out-of-hours services and the new General Medical Services contract.

Agenda for Change covers most NHS staff and aims to harmonise pay scales and terms and conditions throughout the NHS. We will review pay modernisation in order to assess the implementation of Agenda for Change but also to follow up progress with the other major contracts linked to our previous work in this area.

### Emergency care

The Scottish Ambulance Service, NHS 24 and hospital emergency departments work together to provide emergency health care services in Scotland.

The study will look at how well the NHS is able to address increasing demand, meet relevant HEAT targets, cope with employment contract changes, and adjust to changes in the way agencies work together to deliver emergency care. It will also review the impact changes have had on patients, performance and performance measures, partnership arrangements and the robustness of workforce planning.

## Follow-up reports

### Information management and technology

This report will comment on progress made following our publication of *Managing IT to deliver information in the NHS in Scotland* in November 2006. We will consider progress made with all major information management and technology developments in the NHS as part of this review.

### Diagnostics

This study will follow up our 2008 report *Review of diagnostic services*. The recommendations in the 2008 report focus on three main areas: ensuring diagnostic services are as efficient as possible; improving the patients' experience of diagnostic services; and improving the quality and consistency of national data to enable efficiency comparisons and to identify potential improvements. The follow-up report will look at progress in these areas.

## Other work

### NHS overview

Our annual NHS overview report comments on the finance and performance of the NHS in Scotland. It covers the main issues arising from the year's NHS audit work.

## Management development paper

### Workforce development

The first National Workforce Plan was published in December 2006. This set out requirements for NHS boards to join up workforce plans with service and financial plans, and for clear links to workforce planning to be included as part of NHS boards' Local Delivery Plans. NHS boards are required to



produce annual workforce plans. Staff costs account for around 70 per cent of the NHS budget, and to change the way the NHS delivers services, staff increasingly need to work jointly across specialties, sectors and agencies.

We plan to produce a series of papers on workforce development in the NHS as part of this study programme.

# Accounts Commission reports

## Reports in progress

### Local government overview

This report covers key issues arising from the year's local authority audit work. It includes commentary on aspects of financial and service performance by councils and on the main issues arising from the Best Value audits. A separate report in 2009 will review points which have emerged from the first round of Best Value audits.

### Asset management in councils

The study reviews existing approaches to asset management and highlights examples of where this is working well. It assesses how options appraisal can be applied to make strategic decisions about how assets are used and whether they should be retained or sold.

## New reports

### Physical recreation services in local government

This report will examine scope for improvements in efficiency and service user uptake by identifying the resources and impact of different leisure strategies and models of service provision. This study will have a strong user perspective.

### Managing unit costs

Currently there is limited information available in councils on unit costs. Through looking at particular service areas, in consultation with professional bodies, we will explore the potential value of more use of unit cost data. We will assess what

improvements are required to use this information to promote effectiveness and efficiency in service delivery.

### Management of local government pension funds

Eleven councils in Scotland administer pension funds under the Local Government Pension Scheme. The remaining councils and many other public bodies are members of these funds. In 2007, the total value of assets was over £20 billion and operating costs were of the order of £53 million. We will examine the administrative and financial performance of the scheme, including the relative costs of managing the funds and investment returns.

### Best Value and resource management series

We will explore issues concerning governance and resource management through a series of reports which will draw together messages from our work, comment on national patterns and trends, identify areas for improvement and help to promote good practice.

### Impact of liquor licensing

Licensing Boards are regulated by the Licensing (Scotland) Act 2005 which sets out a range of objectives expected from liquor licensing including: preventing crime and disorder; securing public safety; preventing public nuisance; protecting and improving public health; and protecting children from harm. The Act requires Boards to recover costs while not making a profit. We will look at how the objectives of liquor

licensing are delivered locally, the impact on local communities and on businesses and how Boards monitor and report against their objectives. We will also review fees and funding.

### Physical planning services in local government

We will look at the quality, speed and costs of current planning arrangements across Scotland; citizens' views about the effectiveness of planning arrangements; variation in how councils make planning decisions; local government's response to the reforms and the effect on service delivery; and risks to achieving national objectives.

# Joint Auditor General and Accounts Commission reports

## Reports in progress

### Overview of drug and alcohol services

In this study we evaluate the effectiveness of spend by the public sector on drug and alcohol services. We assess the impact of the investment in these services, and review current approaches to planning and delivering services across Scotland.

### Mental health overview

This study focuses on the overall cost and effectiveness of mental health services in Scotland. The review will comment on current spending and activity, how the public sector could improve services, the impact of recent mental health legislation and workforce planning.

### Civil contingencies planning

We will assess how different public sector agencies comply with their duties in the Civil Contingencies Act 2004 and review compliance against the performance standards outlined in supporting guidance issued by the Scottish Government.

### Strategic procurement

The study will provide an assessment of public sector progress against the McClelland recommendations to improve public sector procurement. In addition, it will seek to quantify efficiency savings being realised through improved procurement practices; the extent to which cash has been released for other

priorities; and planned improvements and good practice will be identified.

### Environment overview

This study will evaluate the effectiveness of the Scottish public sector in promoting and improving the environment. It will assess how effectively public bodies and their partners are working together to meet environmental objectives and targets, and how much money is being spent on meeting them.

## New reports

### Delivering efficiencies

The Efficient Government Initiative was launched in June 2004. In April 2008, the Government published its Efficiency Delivery Plans for 2008-11, including an expectation of two per cent efficiency savings in each of the next three years. This study will consider what savings were made in the 2005-08 programme, how well prepared public bodies are to deliver the two per cent efficiency target and highlight good practice and areas for improvement.

### Looked after children in residential settings

The study will: compare the costs of current provision; analyse the factors determining these costs; contribute to aspects of the current efficiency agenda; and develop a cost analysis model that could be applied to other local government services.

### Mental health

Following an overview of mental health services, to be published in 2009, we will examine a series of themes in mental health over the next few years. Future studies may include reviews of child and adolescent mental health services (CAMHS), depression and anxiety and dementia.

### Community Health Partnerships

Community Health Partnerships (CHPs) have been introduced across Scotland to manage a wide range of local health services delivered in health centres, clinics, schools and homes. Although the agenda for CHPs is complex, looking at what benefit has been achieved for patients is timely. The Scottish Government plans to publish research early in 2010 that will report on what CHPs do. This will be a useful basis for our work. As part of our review we will consider how CHPs work with other bodies, how CHPs use their resources, and the costs and benefits associated with CHPs. We will follow up our previous work on community equipment and adaptations as part of this review.

### Community Planning

Our 2006 report provided a picture of Community Planning Partnerships developing their potential. The concordat between local and central government has increased the significance of community planning and it will be timely later in the programme to revisit this subject to assess the

impact of partnerships in the latest context.

### **Commonwealth Games**

Glasgow is the host city for the Commonwealth Games 2014. We will monitor progress for each of the three distinct phases of preparation:

- 2007-2011 – planning moving into implementation;
- 2011-2014 – implementation moving into delivery/staging the Games;
- post 2014 – the legacy of the Games.

### **Follow-up reports**

#### **Roads maintenance**

We will look at the changes in the condition of Scotland's roads since our previous report and examine the extent to which councils have adopted asset management systems to manage their road networks and associated infrastructure.

# Programme of Performance Audits 2009/10

If you require this publication in an alternative format and/or language, please contact us to discuss your needs.

You can also download this document at:  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



Audit Scotland, 110 George Street, Edinburgh EH2 4LH  
T: 0845 146 1010 F: 0845 146 1009  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

Printed on Revive 100 Uncoated, a recycled grade, containing 100% post consumer waste and manufactured at a mill accredited with ISO 14001 environmental management standard. The pulp used in this product is bleached using an Elemental Chlorine Free process (ECF).