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Chartered Accountants

Angus Council

Report to Members and the Controller of Audit

External Audit Report No: 2011-07

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Contents

	Page
1. Executive summary	1 - 4
2. Introduction	5 - 6
3. Financial statements	7 - 11
4. Use of resources	12 - 18
5. Governance and accountability	19 - 23
6. Performance management and improvement	24 - 27
7. Follow-Up 2009/10 action plan	28 - 29
Appendix I BV2 Improvement Plan	30 - 32
Appendix II Audit Scotland national studies	33 - 37
Appendix III Acronyms	38

Restriction on Use

This report has been prepared in accordance with our responsibilities under International Standards on Auditing and Audit Scotland's Code of Audit Practice for the audit of Angus Council's financial statements. Our audit does not necessarily disclose every weakness and for this reason the matters referred to in this report may not be the only shortcomings which exist.

We take this opportunity to remind you that:

- This report has been prepared for the sole use of Angus Council and the Scrutiny and Audit Sub-Committee and will be shared with the Accounts Commission and Audit Scotland
- No responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes



1. Executive summary

Introduction

1. We are pleased to submit our annual report covering the significant matters arising during the course of our audit of Angus Council for the year ended 31 March 2011; the final year of our five year appointment as external auditors of the Council.

Financial statements

2. Our opinion on the financial statements of the Council for the year ended 31 March 2011 is unqualified. The financial statements give a true and fair view, in accordance with applicable law and the 2010/11 International Financial Reporting Standards (IFRS)-based Code of Practice on Local Authority Accounting, of the state of the affairs of the group and of the Council and have been properly prepared in accordance with the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.
3. We were not obliged to make any adverse comment on the Council and its group's Annual Governance Statement. This confirmed that the content of the Statement was not inconsistent with information arising from our audit work.
4. The Council submitted the draft Whole of Government (WGA) return, based on the draft accounts, to the Scottish Government and to the auditors on 18 August. The updated final return was received on the 4 October which we audited and submitted by 6 October 2011.
5. Following an internal review during 2010/11 the Council determined that it was no longer appropriate to regard either the Sports Services or Grounds Maintenance services as meeting the requirements of a Significant Trading Organisation (STO), therefore there are no STOs results reported in the Council's 2010/11 accounts.

Use of resources

6. The Council reported a total General Fund increase of £0.436 million in the year to £20.186 million at 31 March 2011 (including the Housing Revenue Account (HRA) and other earmarked funds). This is a favourable movement of £7.423 million against a budgeted use of resources of £7.466 million. Significant factors contributing to the variance are shown in Table 1.
7. For statutory accounts purposes the General Fund Balance includes all earmarked funds including the HRA. The Council however treats the General Fund and HRA entirely separately for internal and budget purposes.
8. There was an increase of £0.479 million on the HRA balance for the year to £1.957 million at 31 March 2011. The main reason for this variance was the increased provision for capital financed from revenue (CFCR). The HRA balance at 31 March 2011 of £1.957 million is above the policy minimum level of £1 million.
9. Commitments at 31 March 2011 totalling £15.269 million and £1 million have been earmarked from the General Fund and HRA respectively to provide financing for future expenditure plans.
10. The Group Balance Sheet shows a net assets position of £189.844 million at 31 March 2011. All group bodies' accounts have been prepared on a going concern basis as pension liabilities will be funded as they fall due through a combination of employee and employer contributions, government grants and council tax.

1. Executive summary

11. The Council's pension liabilities at 31 March 2011, estimated by the Actuary, exceeded its share of pension scheme assets by £102.625 million (2009/10 £186.899 million). The favourable movement of £84.274 million is mainly as a result of changes in the underlying present value of the scheme's liabilities and the discount rates used, and the move to using the Consumer Price Index (CPI) instead of the Retail Price Index (RPI).
12. The Council updated its Medium Term Financial Strategy for the General Fund Services for the four year period 2012/13 to 2015/16 in June 2011. It identified a significant shortfall in funding of approximately £26 million. The majority of savings required will need to be made in departmental budgets. Work has started on the 2012/13 budget and updated budget savings proposals up to 3.5% per annum for each of the next three years are being sought. The strategy paper also outlined a programme of service and efficiency reviews intended to help limit the impact of cost savings on service delivery.
13. Along with other councils Angus Council is facing up to the prospect of having to make significant budget savings. At the same time as the Council aims to support the local economy and maintain current level of service provision, it is likely to face a severe reduction in resources. The Council needs to continue to implement its strategy and plans for reduced resources over the medium term and make decisions to deliver cost reductions in a managed way.

Governance and accountability

14. Angus Council was selected by the Accounts Commission as one of five authorities where a Best Value (BV2) Pathfinder audit would be undertaken. The fieldwork was undertaken in September 2009 and the BV2 report was issued on 12 May 2010.
15. We have included an update of progress made to date by the Council in implementing the BV2 Improvement plan (BVIP) at Appendix I. This is based on the Corporate Improvement Plan final report approved by the Strategic Policy Committee in June 2011.
16. One of the key findings of the BV2 report was the need to improve governance arrangements by ensuring that all political groupings can work better together to improve outcomes for the people of Angus and establishing arrangements for more robust scrutiny and challenge.
17. In September 2010, the Council reviewed the chairing arrangements for the Scrutiny and Audit Sub-Committee and agreed to appoint as chair a member of the Council who was not allied with either the Angus Alliance administration or the SNP opposition.
18. In November 2010, the Council agreed to establish an informal cross party Mediation Board to mediate upon and attempt to resolve any issues of conduct prior to or instead of referring the matter to the Standards Commission. No complaints against Angus councillors have been published by the Standards Commission since August 2010.
19. To minimise audit duplication we agreed to place reliance on a number of internal audit's reviews. Our review of internal audit reports and working paper files allowed us to place reliance on their work.
20. We are required to have arrangements in place to be notified of all frauds over £5,000 and to submit reports to Audit Scotland. No frauds were reported during 2010/11 other than those identified through the National Fraud Initiative (NFI) and fraud specific to housing and council tax benefit.

1. Executive summary

21. During 2010/11 we continued to monitor the Council's participation in the National Fraud Initiative (NFI). Work to investigate the data matches uploaded to the NFI secure website in January 2011 is ongoing. To date two minor frauds and some errors resulting in overpayments have been identified. The Council is seeking repayment.

Performance management and improvement

22. The BV2 pathfinder report highlighted the need for more comprehensive performance management arrangements. The Shared Risk Assessment Assurance and Improvement Plan 2011-14 published in May 2011 assessed this area as 'no significant concerns' as the Local Area Network (LAN) concluded that the Council had made progress in developing a framework.
23. The Annual Governance Statement noted that the Council improved its governance arrangements by the introduction of an officer Performance Review Group chaired by the Chief Executive.
24. The Council procured a new performance software solution, Covalent, to replace the existing Excelsis PMF software and this is currently being used to produce performance reports.
25. We are satisfied that the Council's has robust procedures and arrangements in place that are sufficient to meet their statutory duties to collect record and publish a range of Statutory Performance Indicators (SPIs). The SPI proforma was lodged by the 31 August 2011 deadline set by Audit Scotland and all 25 specified indicators reported were categorised as reliable.
26. The Angus Community Planning Partnership agreed that the community plan and SOA should be brought together in one document. Members of the Strategic Policy Committee formally adopted a new Community Plan and Single Outcome Agreement 2011-14 in June 2011.
27. The most significant risk identified within the Corporate Risk Register was that the Council might not be in a position to deliver its existing range and level of services due to funding constraints. The key actions taken by the Council to help mitigate this risk are updating its Medium Term Financial Strategy and the establishment of an efficiency programme which seeks to minimise the effect of funding cuts on service provision.
28. A summary of National Studies issued by Audit Scotland together with the Council's action to date is included at Appendix II.

Outlook

29. Along with all other public bodies in Scotland, Angus Council is facing up to the prospect of having to make significant budget savings. The Council needs to continually update its Medium Term Financial Strategy to take account of the Scottish Government's key priorities and maximise available funding to maintain delivery of key services for the area.
30. The most significant risk facing the Council is addressing the identified funding shortfall for the financial years 2012/13 to 2015/16. The 2012/13 shortfall of £5.900 million will be addressed during the current budget rounds and the Council believes it is already well advanced in identifying the scale of the problem and options, including its programme of efficiency reviews and shared services/collaboration work, to help address the shortfall going forward.
31. The Assurance and Improvement Plan (AIP) was considered at a special meeting of the Council in June 2011. The AIP noted that the LAN/external auditors would continue to review progress with improvements to four 'areas of uncertainty'.

1. Executive summary

32. The introduction of the mandatory Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) is a potentially significant new area of cost for the Council and carries reputational risks which will require to be managed. The Council has advised that arrangements to address this are largely now being put in place.

Acknowledgements

33. This is the final year of our appointment as external auditors. Our audit has brought us in contact with a wide range of Council officers and members. We would like to take this opportunity to place on record our appreciation of the co-operation and assistance extended to us by officers and members in the discharge of our duties.
34. We will liaise with the Council's incoming auditors throughout the handover period, to achieve a coordinated handover of the audit and to ensure that the incoming auditors are fully briefed on all relevant matters.

2. Introduction

Introduction

35. We are pleased to submit this, our final annual report, covering significant matters arising during the course of our audit of Angus Council for the year ended 31 March 2011.
36. The framework under which we operate under appointment by Audit Scotland and our audit approach are as outlined in our **Risk Assessment, Annual Audit Plan and Fee Proposal for 2010/11** (Annual Plan, report 2011-01 issued on 27 January 2011). The respective responsibilities of members, officers and auditors were set out in an Appendix to our **Report to those charged with Governance on the Audit of Angus Council** (ISA 260 report 2011-06 issued on 28 September 2011).
37. Broadly the scope of our audit was to:
- provide an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission
 - review and report on the Council and its group's corporate governance arrangements in relation to systems of internal control, the prevention and detection of fraud and irregularity, standards of conduct, prevention and detection of corruption, and the Council's financial position
 - review and report on the Council's arrangements to manage its performance, as they relate to economy, efficiency and effectiveness in the use of resources and in securing Best Value
 - review and report on whether the Council has made adequate arrangements for collecting, recording and publishing prescribed performance information
38. Our audit approach focused on the identification of strategic business risks and operational and financial risks impacting on the Council.

Audit activity and reporting

39. As part of our overall planning approach to the Council's annual audit we carried out a review of the key risks, national and local, facing the Council and reported how we would continue to monitor them during the year through attendance and review of Council meetings and minutes and discussions with officers. The main risks were reported in our Annual Plan and where appropriate we have included an update on these risks in this report. To a certain extent the content of this report comprises general information that has been provided by, or is based on discussions with management and staff at the Council. Except to the extent necessary for the purposes of the audit, this information has not been independently verified.
40. In accordance with our Annual Plan we reviewed the Council's key internal controls for the main financial systems that are used to produce the Council's financial statements. We have raised some issues and made recommendations to address weaknesses found during the course of the audit in our **Financial Statements Audit Plan**, Report 2011-03, issued on 25 May 2011 with an action plan agreed for addressing all of these by 30 June 2011. Our ISA 260 Report included matters highlighted during our year-end audit.
41. From 2010/11, local authority and joint board accounts must be prepared in accordance with International Financial Reporting Standards (IFRS). Authorities are required to disclose a restated 1 April 2009 IFRS-based Balance Sheet and restate the 2009/10 comparative information onto an IFRS basis. We reviewed the opening balance sheet and 2009/10 restatement templates and reported our findings in our **Opening IFRS Balance Sheet and 2009/10 Shadow Accounts Templates Review** Report 2011-02, issued on 12 May 2011.



2. Introduction

42. We are satisfied that the 2010/11 financial statements have been prepared in accordance with IFRS and that the comparative information has been accurately restated.
43. We take this opportunity to remind you that external auditors do not act as a substitute for the Council's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used efficiently, economically and effectively.

3. Financial statements

Audit opinion

44. We are pleased to report that the target date of 30 September 2011 for the audit completion and certification of the annual accounts was met. Our opinion on the financial statements of the Council for the year ended 31 March 2011 is unqualified.
45. In accordance with International Standard on Auditing (ISA) 260 we issued our draft ISA 260 Report on 23 September 2011 and met with the Head of Finance and the Convenor of the Scrutiny and Audit Sub-Committee to discuss the draft report and to agree the final audit adjustments to the draft accounts. Details of the potential audit adjustments, together with comments on the Council's accounting practices and policies and accounting and internal controls are included in the report. The report also summarises our findings in relation to the material risks and exposures previously identified in our Annual Plan and Financial Statements Audit Plan.
46. Some of the issues raised in our ISA 260 Report need to be addressed by management. An action plan will be drawn up and agreed with the Finance Team as part of our debrief process.
47. We set out below a summary of the audit certification issues:
- the financial statements give a true and fair view in accordance with applicable law and the 2010/11 Code of Practice on Local Authority Accounting of the state of the affairs of the group and of the Council as at 31 March 2011 and of the income and expenditure of the group and the Council for the year then ended
 - the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2010/11 Code
 - the financial statements have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003
 - the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 1985
 - the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements
48. We are also required to report if, in our opinion:
- adequate accounting records have not been kept
 - the financial statements are not in agreement with the accounting records
 - we have not received all the information and explanations we require for our audit; or
 - the Annual Governance Statement does not comply with Delivering Good Governance in Local Government
 - there has been a failure to achieve a prescribed financial objective.

We had nothing to report on these matters.

3. Financial statements

Material risks and exposures

49. Our **Financial Statements Audit Plan** identified a number of material risks and exposures faced by the Council that we assessed might impact on the Council's accounts. Our ISA 260 Report provided a summary of the issues along with how they had been resolved. An update on IFRS compliant accounts is provided at paragraphs 41 to 42 and the following paragraphs provide a further update on some of these issues.

Whole of Government Accounts (WGA)

50. The main legislative authority for WGA is contained in the Government Resources and Accounts Act 2000. Under the Act, HM Treasury is responsible for preparing WGA statements at a UK level. Although the Act is not applicable in Scotland, the Scottish Government has agreed to provide the Treasury with equivalent information. Scottish local authorities are therefore required to submit their WGA information in an Excel workbook to the Scottish Government.
51. The UK Government's aim in respect of WGA is to develop a fully audited set of accounts covering virtually all of the UK public sector. WGA treats Government as if it were a single consolidated entity by eliminating all significant transactions and amounts owed between public sector bodies and harmonising accounting policies. WGA is intended to present a true and fair view of Government activities.
52. The deadline of 29 July 2011 for the submission of the WGA consolidation pack to the auditors was not met. We received the pack on 18 August 2011. We reviewed the information contained in the pack that was based on the draft accounts during September. The information was updated to take account of changes to both the Council's single entity accounts and the group figures. We received the updated pack on 4 October and submitted the final audited pack on 6 October 2011. The deadline of 1 October was missed.

Capital Funds and Other Funds and Reserves

53. Our audit testing confirmed that the Council's draft accounts included interest that had been credited directly to other statutory reserves; the Capital Fund, Repairs and Renewals Funds and the Insurance Fund. An appropriate audit adjustment was made in the final accounts to properly account for interest in line with the guidance. Further detail of the interest adjustment was provided in the ISA 260 Report.

Capital Accounting Entries

54. Our audit testing confirmed that appropriate entries were included in the draft accounts for all capital accounting entries with the exception of Assets Held For Sale (AHFS). Although these assets had been transferred out of Property, Plant and Equipment (PPE) assets on reclassification and revalued at that time they were included in the draft accounts at their former gross book value. Depreciation had also been charged as if they were still operational assets. Appropriate adjustments were agreed and made to the final accounts. Further detail of the AHFS adjustment was provided in the ISA 260 Report.

Archimedes Creditor

55. The Council's review of the long-standing balances included as estimates within the Archimedes creditors was not completed during 2010/11 and is ongoing. We reviewed the supporting evidence available and were satisfied that the latest three years estimates for 2008/09 to 2010/11 were reasonable. However there was little evidence to support the estimates for 2006/07 and 2007/08 and on the basis that these estimates have not been revisited since then and that there were insignificant movements in these balances we listed this as a potential unadjusted misstatement (significant - £218,680). Officers advised that they would not adjust the accounts in 2010/11 as they believe it prudent to carry these estimates in the accounts until a full review is carried out. A commitment was given that they would be reviewed in 2011/12. Further detail of the potential unadjusted misstatement was provided in the ISA 260 Report.

3. Financial statements

Review of significant trading operations (STOs)

56. In accordance with the requirements of the Local Government in Scotland Act 2003 the Council completed its review of its remaining two STOs; Grounds Operations and Sports Services, during 2010/11 and determined that neither operation met the requirements either because they do not operate in a competitive environment or because they are not significant in the context of Council service provision. Accordingly there are no STOs results reported in the Council's 2010/11 accounts.

IAS 19 pension costs

57. In response to the UK government's announcements in July 2010 of the intention to move to using the CPI as the inflation measure for determining the minimum pension increases to be applied to the statutory index-linked features of retirement benefits, the Urgent Issues Task Force issued an abstract which gives guidance on replacing the RPI with the CPI for retirement benefits. The Council's Actuary has provided all of the disclosure requirements in respect of this and there has been a material reduction in the pension scheme liability in comparison with the previous year. Further detail is provided at paragraph 102.

Equal pay

58. Appropriate disclosure was included in the Explanatory Foreword in the Council's accounts in relation to the earmarked reserve for Equal Pay. We have been advised that officers now consider the risk of significant new equal pay claims coming forward has diminished and that they plan to consider releasing all or some of the earmarked amount of £525,000 back into uncommitted balances during the next budget rounds, depending on an assessment of risk at that time.

Landfill site

59. Last year officers gave assurances that they would review their accounting treatment of the landfill site assets, in particular that they would look at separating out property, plant and equipment (PPE) from the overall value included as land and depreciate accordingly. The accounting treatment has been revised with PPE separated from land and depreciated in the 2010/11 accounts.
60. We also asked officers to investigate whether a provision for the re-instatement of the land at the end of its useful life was required. The review's conclusion was that the costs of re-instatement were not material and estimated that approximately about £300,000 of re-instatement costs would be incurred every 5 years. As these costs were considered to be immaterial no provision has been included in the accounts.

Group Accounts

61. The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires authorities to prepare a full set of group accounts in addition to their single entity accounts where they have an interest in other entities (excluding the pension fund). The Council has prepared group accounts in accordance with these requirements and the notes to the Group Accounts provide full details of their interests in other entities and the basis of consolidating the results.
62. All of the associates' accounts have been prepared on a going concern basis and have been audited. The Council's group accounts have also been prepared on a going concern basis.

Trust Funds

63. Discussions have been ongoing for some time between the Office of the Scottish Charity Regulator (OSCR) and LASAAC regarding the staged application of the Charities (Scotland) Regulations 2006.

3. Financial statements

64. OSCR wrote to all Councils earlier in 2011 regarding their reporting requirements for local authority charities from 2010/11. The letter stated that an independent examination report would continue to be accepted until 2012/13, and that an audit report would not be required until 2013/14. OCSR has subsequently noted that where a charity's gross income exceeds £500,000 or gross assets exceed £2.8 million, an audit report is required for 2010/11.
65. As the trust funds administered by the Council fall below this threshold, it is still recommended that local authorities continue to make disclosures in respect of trust funds that are consistent with previous years.
66. The disclosure requirement in last year's SORP, in respect of trust funds, is not included in the Code. However, failure by local authorities to disclose details of the nature and amount of trust funds in their accounts would necessitate the preparation and audit of separate accounts for charities in order to satisfy the requirements of section 106 of the Local Government (Scotland) Act 1973. In 2010/11 the Council has made the appropriate disclosure consistent with prior years.
67. During 2011 OSCR wrote to LASAAC providing feedback on the 2009/10 submissions to OSCR for all Local Authorities. The feedback assessed submissions, which look at more than just the accounts information, against four categories; fully compliant (no councils achieved this grade), above average (only 2 councils received this grade), average (20 councils) and below average (8 councils). The Angus submissions fell within the "average" band. The letter identifies that OSCR expect clear progress to be demonstrated by authorities. The 2010/11 information is due for submission by 31 December 2011.

Common Good Funds

68. LASAAC guidance issued in December 2007 states that local authorities should take reasonable steps to ensure that Common Good fixed asset registers support the assets shown in the Common Good Balance Sheet. The Council maintains an asset register identifying Common Good assets and in October 2009, the Council announced that it would carry out a burgh by burgh audit of common good assets. The timescale for this work slipped due to other commitments, but a review of the Arbroath common good assets has recently reported its initial findings.
69. The report, submitted to the September 2011 Council meeting, advised members that the initial findings of the review of Common Good properties in Arbroath identified some assets that are currently included in the Common Good Balance Sheet that should potentially be included in the Council's Balance Sheet and vice versa. The members determined that these initial findings should be the subject of wider consultation prior to the review being completed.
70. The most significant item is the Arbroath Library (currently valued at £836,000) which is currently in the Common Good Balance Sheet. Details of this subsequent event were provided in note 44 in the final accounts.

Legality

71. Throughout our planned audit work we consider the legality of the Council's financial transactions. In addition the Head of Finance confirmed that, to the best of his knowledge and belief having made appropriate enquiries of the Council's management team, the financial transactions of the Council are in accordance with relevant legislation and regulations. Other than the matter regarding standard security for the development land at Orchardbank reported in our ISA260 Report we are not aware of any other additional legality issues arising from our audit work which should be brought to the attention of members.

3. Financial statements

Financial reporting outlook

72. A number of changes in financial reporting are expected to apply from 2011/12 and beyond:

- FRS 30, Heritage Assets has been issued that has not been adopted by the Council in 2010/11, but will be required in 2011/12.
- Pending conclusion of discussions with OSCR about accounts for charities, the Council will need to continue to make a choice between making the appropriate trust fund disclosures in the 2011/12 accounts and making arrangements for the separate audit of these funds.
- For the Whole of Government Accounts return, authorities are required to provide highways infrastructure data to capture progress being made on revaluing those assets on a depreciated replacement cost basis. While this was not subject to audit in 2010/11, it will require to be audited in 2011/12.

4. Use of Resources

Financial position

73. As reported in the Comprehensive Income and Expenditure Statement for 2010/11 the Council reported a surplus on the provision of services of £31.991 million (2009/10: deficit of £6.004 million) and a total comprehensive income and expenditure surplus of £86.174 million (2009/10: deficit of £117.570 million). After making the necessary adjustments through the Movement in Reserves Statement (MIRS) for items required by statute to be charged to the General Fund, the Council reported a total General Fund increase of £0.436 million in the year to £20.186 million at 31 March 2011 (2009/10: increase of £0.228 million to £19.750 million).
74. For statutory accounting purposes the HRA balance requires to be included as a ring-fenced amount within the General Fund balance, albeit that for internal and budget purposes the Council treats the HRA and the General Fund separately. The HRA Income and Expenditure Statement reported a surplus for the year of £1.036 million (2009/10: surplus of £0.501 million). The final outturn for 2010/11, after the necessary adjustments to the HRA movements was an increase of £0.479 million on the HRA balance for the year to £1.957 million at 31 March 2011 (2009/10: increase of £0.304 million to £1.478 million).
75. From the above balances at 31 March 2011, £15.269 million and £1.000 million have been earmarked from the General Fund and HRA respectively to provide financing for future expenditure plans. This includes £3.250 million working balance/contingency within the General Fund. The commitments include the use of £4.698 million agreed as part of the 2011/12 budget-setting process. Uncommitted balances together with the contingency, represents approximately 2% of the budgeted net expenditure on General Fund services for 2010/11. Further details of movements and amounts earmarked within the usable reserves are provided at Note 6 of the financial statements.

Financial performance

76. Financial performance can be measured against the financial budget set by the Council in February 2010 (and subsequent approved amendments) for 2010/11. For budget monitoring purposes, the HRA balance is accounted for separately and is not included in the General Fund figures.

General Fund

77. The balance on the General Fund at 31 March 2011 was £0.043 million lower than at 31 March 2010. This is a favourable movement of £7.423 million against a budgeted use of resources of £7.466 million. Significant factors contributing to the variance are shown in Table 1.

Table 1– Financial Performance against 2010/11 budget

General Fund balance	£m	£m
Budgeted General Fund movement		(7.466)
Significant factors		
Underspends on departmental budgets	6.662	
Additional Council Tax income	0.290	
Additional Surplus from Tayside Contracts	0.218	
Miscellaneous Other	0.237	
Other specific reserves	0.016	
Overall variance	-----	7.423
General Fund balance reduction		(0.043)

4. Use of Resources

Housing Revenue Account

78. The HRA budget was set to increase the balance to £1.975 million. The actual figures resulted in a surplus of £0.479 million increasing the balance to £1.957 million, narrowly missing the target. The main reason for this variance was the increased provision for capital financed from revenue (CFCR).
79. The HRA balance at 31 March 2011 of £1.957 million is in excess of the policy minimum level of £1.000 million, which was increased in February 2011 from £0.500 million. The balance in excess of the minimum will be taken into account in the ongoing commitment to achieve the Scottish Housing Quality Standard and as part of the budget strategy for 2012/13 and beyond.

Group Balances and Going Concern

80. The Group's Comprehensive Income and Expenditure Statement for 2010/11 reported a group surplus on the provision of services of £36.653 million (2009/10: deficit of £14.196 million) and a total group comprehensive income and expenditure surplus of £113.628 million (2009/10: deficit £192.750 million).
81. The Group Balance Sheet shows a net assets position of £189.844 million at 31 March 2011 (2009/10: £70.296 million) compared with the Council's single entity Balance Sheet total of £358.223 million (2009/10: £272.049 million). This material decrease between the group and single entity net assets is mainly due to the Share of the Net Liabilities of Associates including the Council's share of the pension liabilities of the joint boards. These have been accounted for under IAS 'Employee Benefits' in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.
82. All of the associates and joint venture's accounts for the joint boards and Tayside Contracts Joint Committee have been prepared on a going concern basis and have been audited. The Council's group accounts have also been prepared on a going concern basis.

Medium Term Financial Strategy

83. In June 2009, the Council approved a medium term financial strategy, covering the period 2010/11 to 2013/14. The shortfall for 2011/12 was £8.4 million and the agreed 2011/12 budget took this into account and aims to address it. (Refer to paragraph 105 for current projected outturn) The covering report noted the intention to update the strategy on an annual basis. In June 2011, the updated strategy, for 2012/13 to 2015/16 was approved. The strategy projects a funding shortfall of £5.900 million in 2012/13 and a total shortfall of £26 million over the four year period covered by the review.
84. In approving the revised strategy, the Council acknowledged that "*it will be impossible for future council budgets to be balanced through savings from efficiency reviews alone.*" The majority of savings required will need to be made in departmental budgets. Work has started on the 2012/13 budget and updated budget savings proposals up to 3.5% per annum for each of the next three years are being sought.
85. In projecting how the net funding shortfall might be bridged the Council identified a corporate efficiency savings target of £1 million over four years which will help reduce the amount of savings required by departments. The strategy outlines a number of areas for review in 2011/12 intended to help limit the impact of cost savings on service delivery. The programme of reviews for 2011/12 was approved by the Scrutiny and Audit Sub-Committee in February 2011 and is expected to achieve savings in 2012/13 and beyond.
86. Consideration of further areas for review will be undertaken towards the end of 2011. This is to be informed by the outcome of the current reviews and in light of opportunities for collaborative working with partner organisations to jointly look at potential areas for efficiencies that may arise.

4. Use of Resources

87. A report to the Scrutiny and Audit Sub-Committee in June 2011 provided members with an update of the progress made with the 2010/11 efficiency reviews. Out of the three corporate reviews two have been completed and reported and the third has been incorporated into a Tayside-wide review of Fleet Management. Of the six service reviews five have been completed and reported. The sixth review on Health Resource Transfer Arrangements has been affected by a number of developments and has been incorporated into the integrated Community Care Plan that is currently being developed.

Efficient Government

88. All public sector bodies in Scotland are involved with the Scottish Government's Efficient Government initiative. The initiative is designed to achieve cash and time-releasing savings through elimination of waste, bureaucracy and duplication.
89. For 2008/09 to 2010/11, no specific targets have been set for individual authorities, but the Scottish Government identified a target for efficiency savings of 2% across the public sector. The Council has been successful in delivering efficiency savings in excess of those targets but recognises that this will be increasingly difficult to maintain.
90. The Council's 2010/11 Efficiency Statement was submitted to COSLA by the 19 August deadline, to enable COSLA to prepare a statement on behalf of all councils for submission to the Scottish Government. The statement is available from the Council's website.
91. The Council delivered cashable efficiency savings of £4.821 million in 2010/11, together with non-cash efficiencies of £0.546 million. Cashable Savings are summarised in Table 2. £2.257 million of the asset management efficiency savings result from the sale of operational assets and are non-recurring.

Table 2 – Cashable Efficiency Savings 2010/11

	£m
Workforce Planning / Absence Management	0.839
Procurement	0.822
Shared Support Services	0.172
Asset Management	2.454
Local Efficiency themes	0.534
Total	4.821

Reserves and balances

92. All Councils hold reserves which consist of earmarked amounts set aside to support future years' expenditure and contingencies for unexpected events or emergencies. The total usable (or "cash backed") reserves fell by £0.589 million from £27.797 million at 31 March 2010 to £27.208 million at 31 March 2011. Table 3 details the balances and movements on the usable reserves.
93. The Revaluation Reserve, Capital Adjustment Account, Financial Instruments Adjustment Account Pensions Reserve and the new Accumulated Absences Account are specific accounting reserves relating to book entries and classed as unusable reserves. Details of unusable reserves are provided in note 24 of the financial statements. These unusable reserves have been excluded from the table as they are not "cash backed" reserves.

4. Use of Resources

Table 3 – Fund balances and reserves

Fund balances & reserves	2010/11	2009/10	Movement
	£m	£m	£m
General Fund	17.458	17.517	-0.059
Housing Revenue Account	1.957	1.478	0.479
Other earmarked reserves	0.771	0.755	0.016
	<hr/>	<hr/>	<hr/>
Total General Fund	20.186	19.750	0.436
Capital Fund	1.753	1.747	0.006
Renewal and Repair Fund	3.620	3.391	0.229
Insurance Fund	0.459	0.732	-0.273
Usable Capital Receipts	0.594	2.177	-1.583
Capital Grants unapplied	0.596	0	0.596
	<hr/>	<hr/>	<hr/>
At 31 March	27.208	27.797	-0.589
	=====	=====	=====

Treasury management

94. The Local Government Investments (Scotland) Regulations 2010 were approved by the Scottish Parliament on 10 March 2010 and came into force on 1 April 2010. The Regulations permit local authorities to make investments subject to them obtaining the consent of Scottish Ministers.
95. Finance Circular 5/2010, issued by the Scottish Government on 1 April 2010, provides the general consent of Scottish Ministers and sets out the requirements attached to the consent and requires authorities to invest in a way that minimises the risk to the capital sum and optimises the return on the investment consistent with those risks.
96. Authorities are required to prepare an Annual Investment Strategy (the Strategy) before the start of the financial year and an Annual Investment Report (the Report) within six months of the financial year end. The consent specifies minimum requirements for these two documents. There should also be a mid-year review.
97. Under the Local Government (Scotland) Act 1973, an authority is permitted to delegate functions to committees, with the exception of setting the council tax and borrowing money. The Investment Regulations extend these exemptions to include the approval of the Strategy and Report. Scottish Ministers recommend that the Strategy and Report are also considered by an appropriate committee / scrutiny body.
98. The Council's Investment Strategy for 2011/12 was approved by the full Council at its meeting on 24 March 2011. It was also submitted to the Scrutiny and Audit Sub-Committee on 5 April 2011. The Treasury Management Annual Report for 2010/11 was submitted to the Scrutiny and Audit Sub-Committee on 23 August 2011 and the full Council on 15 September 2011. The 2010/11 mid-year review was submitted to the Council on 4 November 2010.

Pensions

99. Accounting for the costs of pensions presents a difficult challenge for local authorities and boards. The amounts involved are large; the timescales long, the estimation process is complex and involves many areas of uncertainty that are the subject of assumptions. International Accounting Standard (IAS) 19 (Employee Benefits) is based on the principle that an organisation should account for retirement benefits at the point at which it commits to paying them, even if the actual payment will be made years into the future.

4. Use of Resources

100. The Council participates in two pension schemes on behalf of its employees: the Scottish Teachers' Superannuation Scheme (Teachers) administered by the Scottish Government; and the Local Government Pension Scheme (LGPS), the Tayside Superannuation Fund administered by Dundee City Council. Both schemes provide members with defined benefits related to pay and service.
101. The Council disclosed the IAS 19 requirements for the LGPS. The Teachers' scheme is an unfunded scheme which is excluded from the accounting requirements of IFRS 19 as it is a national scheme that cannot separately identify the pension liabilities of the individual contributing bodies. It is accounted for on the same basis as a defined contribution scheme.
102. The Council's pension liabilities at 31 March 2011, estimated by the Actuary, exceeded its share of pension scheme assets by £102.625 million (2009/10 £186.899 million). The net pension liability decreased by £84.274 million during 2010/11. Pension liabilities are expressed in present value terms rather than the cash amount that will eventually be paid out in order to allow for the "time value of money". This is undertaken by discounting these future cash amounts by use of a corporate bond rate. The corporate bond rate used for the valuation as at 31 March 2011 (1.9%) is higher than that used at 31 March 2010 (1.5%). Increases in future pensions have now also been assumed to be aligned with the Consumer Price Index rather than the Retail Price Index. Both of these factors have contributed to the £84.274 million reduction in the estimated current value of the pension liability.

Financial planning

103. In 2011/12, the Council again froze the Council Tax in accordance with the concordat with the Scottish Government. The Scottish Government has indicated its desire to see council tax freeze arrangements continuing for the full term of the current Parliament.
104. The key risk for the Council for future years will be to manage within the available budget. The total estimated net expenditure on services approved as part of the budget process for 2011/12 is £259.386 million. This includes total departmental budget savings of £7.354 million, which equates to 3.5% reduction on the 2010/11 updated budget. Services were directed to identify at least 25% of the savings from cashable efficiencies.
105. The latest 2011/12 revenue monitoring report based on five months to 31 August 2011 revised the budget to £252.009 million for monitoring purposes and is currently projecting an overall underspend of £2.138 million. The main element of this is savings on staff costs of £1.427 million. Most of the larger services are projecting small underspends with the exception of Social Work which is planning to break even. Housing is also planning to break even.
106. In June 2011 members were advised in the Medium Term Financial Strategy papers (refer to paragraphs 83 to 87) that Directors have already commenced early work on their 2012/13 and beyond budget submissions. Updated budget savings proposals of up to 3.5% per annum for each of the next three years are being sought and this is based on the assumption that current service provision levels will be maintained.

Capital expenditure and financing

107. Gross capital expenditure on the Council's long term assets for 2010/11 amounted to £29.919 million of which £8.488 million was spent on improvements to housing stock and £10.028 million on roads improvements. Further details of capital expenditure together with an analysis of how this expenditure was financed are included in note 38 of the financial statements.

4. Use of Resources

108. The note also provides details of the capital budgets set for 2010/11. The General Fund Capital Budget was set at £24.668 million and when compared to the actual spend of £21.431 million there has been an under spend of £3.237 million. The main reason for this slippage was the severe winter weather from November last year.
109. The Council has a number of capital expenditure commitments at 31 March 2011 totalling £29.490 million, of which £24.675 million relates to the General Fund. The main commitments relate to the Montrose Swimming Pool £7.848 million and the Kinloch Care Centre & Supported Housing £7.627 million with a further £3.758 million committed to roads projects.

Asset management

110. Following the publication of Audit Scotland's national report *Asset Management in Local Government* in May 2009 an action plan was agreed that included a phased programme of geographical area reviews of Council assets involving local elected members. A review of the Carnoustie district and Monifieth and Sidlaw wards was completed in 2009/10 and actions are underway. Additionally, the Arbroath wards and Forfar and district areas have now been reviewed and these wards encompass the main property and land portfolios held by the Council. This review was completed by September 2011.
111. A private paper was submitted to the September 2011 Council meeting and provided members with an update of progress made to date. The report proposes a number of significant policy developments for the Council around agile working and making better use of building assets. The report identified the challenges to making these changes happen but also emphasised the financial and other benefits from undertaking such a large programme of reform. Members of the Council are to be provided with further reports as the asset management and agile working reform programme is developed and implemented.

People management

112. The Council continues to monitor sickness absence and an annual report was submitted to the Scrutiny and Audit Sub-Committee in September 2011. The report advised that the Council continued to manage down absences again this year from an average of 9.8 days lost in 2009/10 to 8.9 days in 2010/11.
113. A report on Monitoring Employee Turnover 2010/11 was also submitted to the same sub-committee. In general terms the Council has a fairly low turnover of staff leaving the Council of 7.22% compared to a turnover rate for local authorities of 8.1% (2009/10 rate).
114. A further report provided the sub-committee with details of early retirements/voluntary redundancies for 2010/11. There were eleven employees released on early retirement/voluntary redundancies and no compulsory redundancies during the year.
115. The Council has continued with its response to the prevailing financial constraints by addressing measures designed to achieve the required reduction in the workforce. It aims to reduce the workforce by 500 posts by the end of the 2013/14 financial year. The 2011/12 budget included a reduction of 112.2 budgeted full time equivalent posts compared with 2010/11 and the expectation is that Services will continue to deliver high quality services while actively managing a reduction in the workforce. This includes natural wastage, careful management and review of posts and vacancies, and, voluntary redundancies and early retirements where appropriate and in line with the Council's policy. To date the Council has avoided compulsory redundancies and has not yet had to asked for volunteers.

4. Use of Resources

Procurement

116. A follow-up review was carried out to assess how well the Council is doing to ensure that it can demonstrate value for money when purchasing goods and services. This was in response to Audit Scotland's national report *Improving public sector purchasing*, which was published in July 2009.
117. Our findings were reported in **Improving Public Sector Purchasing Follow-up Report, Report 2011-04**, published on 22 August 2011. Our overall conclusion noted that the Council can demonstrate:
- its commitment to achieving improvement in purchasing practice - the improved score of 33% in the 2010 PCA exercise from 24% in 2009 now places the Council in the 'conformance' band.
 - a clear system of delegation and authority for purchasing.
 - a high-quality purchasing strategy.
118. The Council is making steady progress in implementing its procurement programme and the actions arising from the PCA. The Council is progressing with procurement reform and the actions identified as part of the 2010 PCA process.

Shared services

119. In September 2011 a report on Shared Services and Collaborative Working Arrangements was submitted to the Strategic Policy Committee seeking agreement to the further development of shared services and collaborative working arrangements and in particular seeking approval to conduct a review with Tayside Contracts to identify possible efficiency improvements and financial savings that could arise in areas of parks maintenance and waste management.
120. A Public Sector Strategy Group (PSSG) has been established at chief executive level involving all three councils in Tayside, the police and fire boards and NHS Tayside. It has established a number of workstreams and groups to identify and consider potential areas of cross council and organisation collaboration. The most significant piece of work currently ongoing is a review regarding a possible Tayside-wide Fleet Structure. (Refer to paragraph 87).

Outlook

121. Along with all other public bodies in Scotland, Angus Council is facing up to the prospect of having to make significant budget savings. At the same time as the Council aims to support the local economy and maintain current service provision, it is likely to face a severe reduction in resources. The Council needs to continually update its Medium Term Financial Strategy to take account of the Scottish Government's key priorities and maximise available funding to maintain delivery of key services for the area. The Council needs to continue to plan for reduced resources over the medium term and make decisions to deliver cost and staff reductions in a managed way.

5. Governance

Best value 2 (BV2) and shared risk assessment (SRA)

122. Angus Council was selected by the Accounts Commission as one of five authorities where a BV2 Pathfinder audit would be undertaken. The fieldwork was undertaken in September 2009 and the BV2 report was issued on 12 May 2010. The Council's 2010/11 Corporate Improvement Plan was agreed as the Best Value Improvement Plan to address the weaknesses identified in the report.
123. A final report on the 2010/11 Corporate Improvement Plan was submitted to the Scrutiny and Audit Sub-Committee in June 2011. This showed that 35 of the 47 actions included in the plan had been completed by 30 April 2011. The remaining 12 actions have been included in the 2011/12 Corporate Improvement Plan approved by the Strategic Policy committee in May 2011. Of these, five had 2011/12 completion dates and one is an ongoing annual action. The 12 actions carried forward to 2011/12 are detailed in Appendix I.
124. The Local Area Network for Angus met early in 2011 to revise its risk assessments and reconsider the level of scrutiny required for the Council. The update process drew on evidence from a number of sources including our 2009/10 reports and planning for 2010/11. The Shared Risk Assessment Assurance and Improvement Plan 2011-14 was published in May 2011 and submitted to the Strategic Policy committee in June 2011. Of the 30 different areas within the SRA, 26 have been assessed as 'no significant concern'.
125. Four areas have been assessed as 'areas of uncertainty' and Council officers advised in their report to committee that no new actions need to be considered in relation to these areas as measures that were previously put in place will be embedded and provide evidence of improvement in these areas going forward.
126. The LAN will continue to monitor progress as part of the on-going engagement with the Council and will review the assessments as part of the annual refresh process. The LAN lead will be in touch shortly about the 2012/13 refresh process.

Corporate governance

127. One of the key findings of the BV2 report was the need to improve governance arrangements by:
- ensuring that all political groupings can work better together to improve outcomes for the people of Angus
 - establishing arrangements for more robust scrutiny and challenge

Leadership and culture

128. The BV2 report included the following observation: "Relations between the administration and the opposition are not good. There are instances of discordant and antagonistic council meetings and standing orders are sometimes used in a way that inhibits open, transparent and inclusive democratic debate. While there is no evidence that this has had a direct bearing on the quality of services the council provides, it is difficult to see how the council is meeting its obligations in the *Code of Conduct for Councillors*, particularly in relation to leadership and respect."
129. In our 2009/10 Annual Report, we commented on the number of complaints that had been submitted to the Standards Commission for Scotland between August 2009 and August 2010. We noted that none of the complaints had been upheld and encouraged members to take on board the comments of the Accounts Commission and the Standards Commission regarding leadership, respect and inter-councillor working.

5. Governance

130. In November 2010, the Council agreed to establish an informal cross party Mediation Board to mediate upon and attempt to resolve any issues of conduct prior to or instead of referring the matter to the Standards Commission. No complaints against Angus councillors have been published by the Standards Commission since August 2010.

Corporate Improvement Plan

131. The Corporate Improvement Plan is aligned with the Council's four year Corporate Plan. It is updated annually and details actions for the year to improve corporate management arrangements. The Corporate Improvement Plan for 2011/12 was approved by the Strategic Policy committee on 3 May 2011. The actions in the Corporate Improvement Plan have been reshaped to align with the headings within the Council's self assessment framework, the Angus Improvement Model, which is based on the Public Sector Improvement Framework. The Corporate Improvement Plan has also been revised to follow the same format as the departmental service plans. Actions agreed in response to Audit Scotland's BV2 report are included in the Corporate Improvement Plan.
132. At officer level, the Corporate Improvement Plan is monitored and reviewed by the Performance Review Group on a quarterly basis. At member level, the plan is monitored and reviewed twice a year, with a mid-year report in December and a year-end report in September. The reports are submitted to the Scrutiny and Audit sub-committee and then to the Strategic Policy committee.
133. A Corporate Annual Report 2010/11 was submitted to both the Strategic Policy Committee and the Scrutiny and Audit Sub-Committee in September 2011 advising members of progress made against the Corporate Plan within 2010/11. It provided a selection of achievements and outcomes set against the five corporate objectives and an update on the specific actions within the Corporate Plan that were completed and those actions that are being carried forward. Around forty actions are listed as completed with only three listed as being carried forward, which have been carried forward to the 2011/12. The format and content of these annual reports will be reviewed and developed over the coming year to reflect the content of the new Corporate Plan.

Scrutiny arrangements

134. The BV2 report considered that the Council's approach to scrutiny was weak. In last year's report we advised that in June 2009 the Council's Audit sub-committee was replaced by the Scrutiny and Audit Sub-Committee, following a review of scrutiny arrangements by the Strategic Policy committee. The sub-committee has seven members, reflecting the political balance of the Council, and was originally chaired by the Leader of the Council. In September 2010, the Council reviewed the chairing arrangements for the sub-committee and agreed to appoint as chair a member of the Council who was not allied with either the Angus Alliance administration or the SNP opposition.
135. From our attendance over the last year at the Scrutiny and Audit Sub-Committee we have observed that discussion is more clearly focussed on scrutiny. Members are demonstrating an improved understanding of scrutiny and are asking more questions of senior officers from all departments who attend to present reports covering their areas on the agenda. We have observed that on occasion members have asked for more detailed information to be brought to the committee and officers have responded to this. This all demonstrates that members are evaluating and challenging the reports submitted.

5. Governance

Standing orders and financial regulations

136. Changes to Standing Orders, the Order of Reference of Committees and the Scheme of Delegation to Officers were approved by the Council in September 2011. The changes were largely to reflect new legislation or as a result of previous Council decisions.

Members' training

137. During year 2010/11, members undertook a total of 364 hours of training and development. All members participated in training of different types, including formal training courses, conferences, seminars, distance learning, vocational education, briefings, workshops and e-learning packages. Topics covered in training courses included governance and effective scrutiny, treasury management, procurement, human rights, welfare reform and lone working, violence and aggression. Personal Development Plans were updated where necessary and individual members continue to attend relevant training courses and briefings in support of identified needs.
138. The Corporate Improvement Plan includes an action to develop a training programme for members on performance management and scrutiny and progress to date notes that initial consideration is now underway. A training session on performance management and scrutiny took place in April 2011.
139. In total remuneration, allowances and expenses payments to Councillors of £619,189 were made in financial year 2010/11 whereof £12,332 was paid by other bodies or organisations. Further detail is included in note 27 in the financial statements.

Annual governance statement

140. In accordance with best practice the 2010/11 annual accounts included an Annual Governance Statement. We were not obliged to make any adverse comment on the Council and its group's Annual Governance Statement. This confirmed that the content of the Statement was not inconsistent with information arising from our audit work.
141. The conclusion of the Council's annual review was that the governance arrangements and framework within which it operates are sound and operating effectively. The review did identify a number of areas where further improvement can be made to ensure full compliance with the Local Code and these are to be incorporated within the Council's corporate improvement plan for 2011/12.
142. During our audit we discussed some minor presentational improvements with management who agreed to provide more detail on the 2009/10 areas identified for improvement and management actions taken to address these issues. An updated statement was included in the audited financial statements.

Reliance on internal audit

143. Audit Scotland's Code of Audit Practice directs us to maintain effective co-ordination with internal audit and place the maximum possible reliance on their work. In accordance with ISA 610 – Considering the Work of Internal Audit, we have reviewed the framework for the provision of internal audit services. Our review included consideration of compliance with CIPFA's 2006 Code of Practice for Internal Audit in Local Government in the United Kingdom. We concluded that the Council's Internal Audit Services adhere to the standards set down in the CIPFA Code and that we can continue to place reliance on the work of internal audit.
144. We liaise with internal audit during our planning to identify areas of their work that we can place reliance on. For 2010/11 we agreed to place reliance on work covering a number of areas, as detailed in paragraph 51 of our **Risk Assessment, Audit Plan and Fee Proposal for 2010/11** (report 2011-01 issued on 27 January 2011).

5. Governance

145. Our review of their reports and working paper files allowed us to place reliance on the work of internal audit. We reviewed the weaknesses identified by internal audit and concluded that these would not have a material effect on the financial statements, allowing us to reduce the level of detailed testing during our year-end audit.

Prevention and detection of fraud

146. As external auditors we are required to consider the arrangements made by management for the prevention and detection of fraud and irregularities.
147. At a corporate level, the Council has appropriate arrangements in place to help prevent and detect fraud and irregularity. These arrangements include, for example, an anti-fraud and corruption strategy, whistle blowing policies and codes of conduct for elected members and staff. Overall we concluded that arrangements for the prevention and detection of fraud and other irregularities were generally satisfactory.
148. We are required to have arrangements in place to be notified of all frauds over £5,000 and to submit reports to Audit Scotland. No frauds were reported during 2010/11 other than those identified through the National Fraud Initiative (NFI) and fraud specific to housing and council tax benefit.

National Fraud Initiative

149. During 2010/11 we continued to monitor the Council's participation in the National Fraud Initiative (NFI). The exercise is undertaken as part of the audits of the participating bodies. NFI brings together data from Councils, Police and Fire and Rescue Boards, Health bodies and other agencies to help identify and prevent a wide range of frauds against the public sector, including occupational pension fraud and payroll fraud.
150. Work to investigate the data matches uploaded to the NFI secure website in January 2011 is ongoing and a number of matches have been investigated and the outcomes recorded on the NFI web application. Responsibility for investigating the remaining open matches is clearly defined and work will continue until all matches are fully investigated and closed off. We will continue to monitor the steps taken by the Council as the 2010/11 NFI exercise develops and will submit a report to Audit Scotland later this year summarising the arrangements in place.
151. To date, two frauds have been identified with a total value of £2,734 (pounds). Other errors have been identified resulting in overpayments of £7,560 (pounds). The Council is seeking repayment of the full £10,294.

Examination of Matters Raised

152. From time to time matters are brought to our attention by Audit Scotland regarding issues raised by members of the public. During the year, following one such issue being brought to our attention, we undertook a review of the events, and Council action relating to multiple website hits and multiple responses to an informal on-line consultation exercise as part of the Stage 2 Public Consultation process relating to the Arbroath Schools Project.
153. We were satisfied the Council had undertaken a thorough examination of events and had issued warnings that care was required in the use of the feed-back which had been made available to stakeholders. We concluded no further work was required on this matter in respect of our external audit opinion.



5. Governance

Outlook

154. Maintaining effective governance arrangements in a period of financial restraints and with fewer experienced staff will be a challenge that will be monitored as part of the 2011/12 audit. The LAN will continue to review the Council's progress in and addressing areas of uncertainty in the Shared Risk Assessment Assurance and Improvement Plan 2011-14 and the areas identified in the Annual Governance Statement for improvement and progress in implementing the agreed actions arising from the BV2 report will be followed up by the new external auditors.

6. Performance management and improvement HENDERSON LOGGIE

Performance management

155. The BV2 pathfinder report highlighted the need for more comprehensive performance management arrangements with a particular focus on the need for improvement in self-evaluation, good performance information, which includes the views of customers and local people and analysis of comments and complaints, training and support for members and officers on performance management and a clearer link between corporate priorities, resource management, priorities for improvement and review activity. Where specific actions were identified an update is provided in the BV2 Improvement Plan at Appendix I.
156. The Shared Risk Assessment Assurance and Improvement Plan 2011-14 published in May 2011 assessed this area as 'no significant concerns' as the LAN concluded that the Council had made progress in developing a framework. It advised that progress will still be monitored, particularly in respect of the new performance management system and how this facilitates improvement.
157. The Annual Governance Statement noted that the Council improved its governance arrangements by the introduction of an officer Performance Review Group chaired by the Chief Executive.
158. The Corporate Annual Report for 2010/11 was submitted to both the Strategic Policy Committee and the Departmental Annual Reports were submitted to various committees, both were also submitted to the Scrutiny and Audit Sub-Committee in September 2011. The reports included details of the Statutory Performance Indicators and a full report will be submitted of all indicators to the next Scrutiny and Audit Sub-Committee.
159. The Council procured a new performance software solution, Covalent, to replace the existing Excelsis PMF software and this is currently being used to produce performance reports. This is to provide improved access to performance information, for both chief officers and elected members, in order to inform the decision making process and drive improvements in service delivery. It is too early to say whether this has facilitated improvements.

Statutory Performance Indicators (SPIs) and performance reporting

160. The SPIs for audit year 2010/11 are defined in the 2008 Direction, (the Direction) given by the Accounts Commission for Scotland under section 1(1)(a) of the Local Government Act 1992. This Direction takes a significant shift in approach from previous years in that the number of specified indicators has been reduced dramatically. The Direction places the onus on individual Councils to collect, record and publish a range of information, including 25 specified indicators, sufficient to demonstrate that it is delivering Best Value in relation to the corporate management and service performance headings set out in SPI1 and SPI2 in the Direction. Only the 25 specified indicators needed to be submitted to Audit Scotland by 31 August 2011, prior to publication of all the information required by the Direction by 30 September 2011.
161. Under the Local Government (Scotland) Act 1973 our duty as auditors of the Council is to be satisfied that the Council *"has made adequate arrangements for collecting and recording information, and for publishing it, as are required for the performance of their duties."*
162. We are satisfied that the Council has robust procedures and arrangements in place that are sufficient to meet their statutory duties to collect, record and publish a range of SPIs.
163. The SPI proforma was lodged by the 31 August 2011 deadline set by Audit Scotland and all 25 specified indicators reported were categorised as reliable. No errors were identified in the audit work carried out on the submission.

6. Performance management and improvement HENDERSON LOGGIE

Equality and diversity

164. The Council's BVIP included improvements to this area and agreement to prepare a single equality scheme and revise its equality impact assessment guidance. Adoption of the Single Equality Scheme was approved by the Strategic Policy committee in December 2010. An action plan covering the period to 2013 is included as an appendix to the scheme. Responsibility for taking forward the action plan lies with the Corporate Equalities Group, which consists of senior employees from each department and reports to the Chief Officers Management Team (COMT). An annual progress report will be submitted to the Strategic policy committee.

Sustainability

165. The BV2 audit found that "the council has a good record of working towards sustainability". Communities that are sustainable is one of the partnership priorities identified in the area's new community plan and single outcome agreement 2011-14. The Angus Rural and Environment Partnership (AREP) is responsible for leading on this priority aiming at improving the quality of life in Angus through sustainable development, protecting the environment and addressing issues in relation to climate change. These responsibilities tie into the national outcomes 10, 12 and 14.
166. In September 2011 a progress report summarising progress made in 2010/11 on the Angus Single Outcome Agreement (SOA) 2009-12 was submitted to the Strategic Policy Committee and the Angus Community Planning Partnership meeting. The Committees noted that this was the final update for the current SOA and that it would be submitted to the Scottish Government by the end of September.
167. The following is a summary of the reported outcomes for the AREP themed partnership: under national outcome 10, sustainable places, there are 4 main indicators and 2 had improved and 2 had stayed the same; there are 3 headline indicators for outcome 12, environment, and of these 1 had improved and 2 had remained the same; there are also 3 indicators for outcome 14, environmental impact, one had improved, one remained the same and one had fallen below target. This indicator related to the proportion of municipal waste recycled or composted and an explanation was provided in the report. The report also provides links to the partnership's full year progress report (2010/11) on the www.angus.org.uk website that provides details of progress made on 'below the line' indicators and actions as well as the SOA indicators.
168. One of the significant risks identified in the Council's corporate risk register (reviewed June 2011) is that arrangements are not sufficiently well developed to meet legislative obligations for carbon reductions. The risk register identifies a number of actions that have been taken to help mitigate this risk. Temporary resource provisions in 2010/11 are now being made permanent following approval of a submission for additional resources supplemented by budget virement actions within the Property Division during the budget setting process for 2011/12. Provision has also been made corporately, for the costs in 2011/12 of the purchase of carbon allowances as required by the CRC Energy Efficiency Scheme Order 2010. Action has been taken to recruit and appoint to two new permanent energy technician posts.
169. Several reports were submitted to the Corporate Services Committee in September 2011 advising members of progress made during 2010/11 on projects financed by the Central Energy Efficiency Fund (CEEF) and available funding for projects in 2011/12. Projects completed in 2010/11 resulted in savings of 11,400 kg of CO₂. There was also an overall under spend on the Council's heating, fuel and electricity budgets of £395,738 reported.

6. Performance management and improvement HENDERSON LOGGIE

170. Seaview Primary School in Monifieth, which opened in 2009, received a bronze award in the Promoting Sustainability category in the national COSLA Excellence Awards 2011. The building was the first Angus Council property to receive an A-rated energy performance certificate and in 2010 it received a Carbon Trust Low Carbon Building award.

Single outcome agreement

171. The Angus Community Planning Partnership agreed that the community plan and SOA should be brought together in one document. Members of the Strategic Policy Committee formally adopted a new Community Plan and Single Outcome Agreement 2011-14 in June 2011. Progress against this new plan and SOA will be reported on a six monthly basis, with an annual report to the Scottish Government.
172. The final progress report on the 2009-2011 SOA was submitted to the Scrutiny and Audit sub-committee and Strategic Policy committee in September 2011, prior to submission to the Community Planning Partnership and then the Scottish Government. The report shows that performance exceeded targets in 12 of the 15 national outcomes. Progress was below target in the remaining three outcomes: Business, Employment Opportunities and Children. Overall, the performance reported was positive, with approximately 70% of indicators meeting or exceeding targets.

Risk management

173. During 2010/11, internal audit carried out a review of risk management. The overall objective was to review the delivery of the declared objectives within the Council's risk management strategy. The audit also considered whether the Council's arrangements meet the objectives declared in the strategy and discharge the strategy commitments.
174. Internal audit concluded that the Council has made good progress in implementing the objectives of its risk management strategy and identified a number of areas of good practice. The report also identified a number of areas where further work is required to fully implement the objectives and arrangements outlined in the risk management strategy and to further embed risk management within the Council departments. Internal audit advised that departmental and divisional Business Continuity Plans should be finalised, tested and validated as soon as possible, to ensure that risk management and the processes supporting risk management become more embedded within the Council.
175. The Annual Governance Statement in this year's accounts identified two areas for improvement relating to risk management that will be incorporated into the corporate improvement plan; the need to provide training on risk management strategy and review service improvement plan guidance with a view to incorporating risk.
176. The Council's Corporate Risk Register is reviewed and updated quarterly by the Chief Officers Management Team. Following the most recent review, the scope and coverage of the risk register was considered and agreed by the Scrutiny and Audit Sub-Committee in May 2011. The register was then submitted to the June meeting of the Strategic Policy committee, which has overall responsibility for the Council's risk management strategy arrangements. A paper advising members that the Risk Management Strategy was updated to take account of changes made to the Council's performance management arrangements was also submitted to the same meeting.
177. The most significant risk identified within the Corporate Risk Register was that the Council is not in a position to deliver its existing range and level of services due to funding constraints. The key actions taken by the Council to help mitigate this risk are updating its Medium Term Financial Strategy and the establishment of an efficiency programme which seeks to minimise the effect of funding cuts on service provision. Each department has drafted budget savings proposals for 2012/13 and 2013/14.

6. Performance management and improvement HENDERSON LOGGIE

178. The risk register also notes a significant risk that services are disrupted as a result of IT Infrastructure failure. During February and March 2011, electrical supply problems at the Council offices in County Buildings in Forfar caused disruption to a number of services, including planning and building standards. The Council's e-mail system and website were also disrupted, as the central hub for the electronic communications network was located at County Buildings.
179. After initial investigations failed to resolve the problems, contingency plans were put in place to provide alternative facilities. Infrastructure Services staff and services were relocated to other Council premises in order to minimise the impact on service delivery.

National studies

180. A summary of national studies issued by Audit Scotland together with the Council's action to date is included at Appendix II.

Outlook

181. Improvements in the four 'areas of uncertainty' will continue to be a key challenge for the Council and the LAN and new external auditors will follow up progress made in this area again next year.
182. Delivery of the existing range and level of services will be a key challenge in the current economic climate.
183. The introduction of the mandatory Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) is a potentially significant new area of cost for the Council and carries reputational risks which will require to be managed. The Council has advised that arrangements to address this are largely now being put in place.



7. Follow Up 2009/10 Action Plan

Para Ref	Recommendation	Management Response	Update at October 2011
55	R1 The Head of Finance and his team should continue to put the necessary arrangements in place to ensure full compliance with the IFRS-based Code of Practice on Local Authority Accounting, which replaces the SORP and applies from 1 April 2010.	<p>Activity to transfer annual accounts preparation to the IFRS Code of Practice is continuing. This process will not ultimately be concluded until the draft 2010/11 financial statements are submitted to Audit Scotland in June 2011.</p> <p>To be actioned by: Head Of Finance</p> <p>No later than: 30 June 2011</p>	<p>Complete- Restatement work reviewed. Reported in HL report 2011-02, issued 25 April 2011.</p> <p>The 2010/11 financial statements have been prepared in accordance with IFRS refer paragraph 41/42</p>
		Grade	B
59	R2 The Finance Team should continue to work towards putting the necessary arrangements in place to ensure compliance with the LASAAC Guidance and the IFRS-based Code of Practice on Local Authority Accounting, which does not accept that the Right-To-Buy discount should be deducted from the council dwellings current value within the accounts.	<p>The Council's retained valuers have been requested to undertake valuations of the Council's housing stock on an IFRS compliant basis. Valuations to permit restatement at March 2009 and March 2010 are anticipated to be provided in November 2010.</p> <p>To be actioned by: Senior Service Manager (Finance Services)</p> <p>No later than: November 2010</p>	<p>Complete- Basis of valuation now IFRS compliant.</p>
		Grade	B



7. Follow Up 2009/10 Action Plan

Para Ref	Recommendation	Management Response	Update at October 2011		
63	R3 We recommend that the Finance Team continue to investigate why these other gains and losses are occurring and if possible put through the required adjustments to write these out of the restated accounts for 2009/10.	<p>The amounts in question will be reviewed to identify the correct position and undertaken any necessary amendments.</p> <p>To be actioned by: Senior Service Manager (Finance Services)</p> <p>No later than: 31 January 2011</p>	Complete- Additional resource brought in to investigate and resolve this issue. The final audited accounts for 2010/11 include nil 'other unrealised gains/losses' following investigation and resolving these by the Finance Team.		
		<table border="1"> <tr> <td>Grade</td> <td>B</td> </tr> </table>	Grade	B	
Grade	B				
87	R4 We recommend that the Council should seek to ensure that these reviews are carried out within a reasonable timescale as they may highlight efficiencies and savings that may help deliver services during this period of financial constraint.	<p>Progress is now being monitored by the new Performance Review Group and officers are required to provide formal updates on all reviews for which they are responsible.</p> <p>To be actioned by: Chief Executive</p> <p>No later than: 31 January 2011</p>	Complete- Out of the three corporate reviews two have been completed and reported and the third has been incorporated into a Tayside-wide review of Fleet Management. Of the six service reviews five have been completed and reported. The sixth review on Health Resource Transfer Arrangements has been affected by a number of developments and has been incorporated into the integrated Community Care Plan that is currently being developed. Refer to paragraph 87		
		<table border="1"> <tr> <td>Grade</td> <td>A</td> </tr> </table>	Grade	A	
Grade	A				



Appendix I BV2 Improvement Plan – actions c/fwd to 2011/12

Area for Improvement	Action	Timescale	Progress at June 2011 Comments below are based on report 345/11 – and updated by management where appropriate.
Vision and Strategic Direction	Develop new Angus Community Plan incorporating Single Outcome Agreement	June 2011	Complete - approved by Strategic Policy committee on 14 June 2011 and by ACPP on 15 June 2011.
	Develop new corporate plan 2011-15	June 2011	Complete - Approved by Strategic Policy committee on 14 June 2011.
Leadership and Culture	Start submitting six month and annual SOA reports to Scrutiny and Audit Sub Committee.	September 2010	Complete - Reports now submitted
Partnership Working and Community Leadership	Support Angus Association of Voluntary Organisations and Voluntary and Community Organisations in the development of a third sector forum.	June 2010	This action was transferred to the ACPP. Support provided but Angus Association of Voluntary Organisations and Voluntary and Community Organisations have asked for delay.
Community Engagement	Develop local community plans	October 2010	Complete - Local Community Plans submitted to ACPP 15 June 2011
Performance Management	Establish revised performance monitoring arrangements at chief officer level	August 2010	Complete - Performance Review Group established.



Appendix I BV2 Improvement Plan – actions c/fwd to 2011/12

Area for Improvement	Action	Timescale	Progress at June 2011 Comments below are based on report 345/11 – and updated by management where appropriate.
Customer Focus and Responsiveness	Develop and implement corporate approach to analysis of complaints	September 2010	Awaiting publication of Ombudsman's Model Complaints Handling Procedure before revising Council's procedures. Revised completion date March 2012.
	Review Customer Care Toolkit and confirm service standards and performance standards	September 2010	Revised toolkit will be prepared following introduction of revised procedures. Revised completion date March 2012.
	Review approach to e-communication	March 2011	Action plan revised as per Customer Services Strategy approved by Strategic Policy committee February 2011. (report 81/11)
	Departments to collect customer satisfaction information	March 2012	Departments currently reporting to Customer Services Programme Board on how they will use the customer satisfaction measurement tool.
	Incorporate customer consultation exercises and related outcomes within departmental annual reports. Incorporate within departmental service plans a section on customer consultation exercises planned for the coming year.	August 2011	Complete - Customer consultation exercises for forthcoming year in 2011/12 service improvement plans. (Confirmed to service plans, which can be accessed from http://www.angus.gov.uk/ccmeetings/reports-committee2011/AngusCouncil/101.pdf) Outcomes from consultation exercises to be included in departments' annual reports. Annual reports are available
Performance Management	Roll out self assessment across departments	June 2011	Complete- Self assessment now being conducted in all departments.



Appendix I BV2 Improvement Plan – actions c/fwd to 2011/12

Area for Improvement	Action	Timescale	Progress at June 2011 Comments below are based on report 345/11 – and updated by management where appropriate.
	Develop range of communication methods to increase staff understanding of improvement agenda	Annual to March	Ongoing
Efficiency	Review use of unit cost and other cost based information	March 2011	Proposed way forward agreed by the COMT in August 2011 deployment being taken forward as part of broader transformation programme within the Council which is in the process of being finalised. The use of cost based and other benchmarking information will be a key feature of the Council's business improvement approach in future years.
Financial Management	Improve the functionality of core systems such as Integra	March 2011	New cash receipting system fully deployed. Resourcelink system upgrade to Aurora version completed. Action now amended to Upgrade of Integra to Open Enterprise platform with March 2012 target date. Significant investment in upgrading the council's Citrix environment is needed before the Integra system upgrade can begin.



Appendix II Audit Scotland National Studies

Report	Publication Date	Summary of Findings	Angus Council Action
Getting it right for children in residential care	September 2010	This reports examined how effectively councils use their resources on residential placements for their looked after children and identifies areas for improvement. This work complemented the Scottish Government's strategic review of residential child care services in Scotland, conducted by the National Residential Child Care Initiative. (NRCCI).	<p>The report was submitted to the Education committee (October 2010) and the Social Work & Health committee (November 2010)</p> <p>The Children Services Looked After Children Joint Action Group has been tasked to give detailed consideration to the contents of the report, make use of the self-assessment tool contained within the report and identify key action points for improvement. Progress will be reported in future reports to the Education and Social Work and Health Committees.</p> <p>Impact assessment completed</p>
Physical recreation services in local government	October 2010	This report examined how physical recreation services are delivered, how Councils plan and manage physical recreation services, how much is spent and where, and how services are performing and their impact. It also explored Councils' link with ALEOs, but did not try to compare different models of service delivery or consider which is best. Arrangements used to deliver services vary considerably in terms of size and the types of services provided, and each is expected to take account of local circumstances and the requirements of Best Value.	<p>The report was submitted to the Scrutiny and Audit Sub-Committee in February 2011. Appendix 2 to the committee report is an action plan which includes proposals to address the Audit Scotland's key recommendations.</p> <p>Impact assessment completed</p>



Appendix II Audit Scotland National Studies

Report	Publication Date	Summary of Findings	Angus Council Action
<p>Improving energy efficiency: a follow-up report</p>	<p>December 2010</p>	<p>This audit re-evaluated the performance of the public sector in improving energy efficiency. It followed up the key recommendations from Audit Scotland's 2008 report, and looked at how prepared public bodies are for the CRC Energy Efficiency Scheme.</p>	<p>A report submitted to the Scrutiny and Audit Sub-Committee in February 2011 includes the checklist from the Audit Scotland report, annotated with comments on the status in Angus. The checklist will also be submitted to the Carbon Reduction Member/Officer Group who will review and revise strategies and action plans.</p> <p>A report on the Council's Corporate Risk Register, submitted to the Strategic Policy committee in June 2011 notes "Feedback from the Audit Scotland Energy Efficiency audit report and the review matrix used to assess the performance implementing the Local Authority Carbon Management Plan are to be rationalised into an updated action plan incorporating other actions identified by best practice, opportunity and from Scottish Government guidance."</p> <p>Impact assessment completed</p>
<p>An overview of local government in Scotland 2010</p>	<p>January 2011</p>	<p>This report provided an overview on the issues arising from local authority audits. Its aim was to provide both a review of recent audit work and an overview of the challenges facing local government in 2011 and beyond. The report includes action points for Councils and key questions for Councillors</p>	<p>A report submitted to the Scrutiny and Audit Sub-Committee in May 2011 includes commentary from an Angus prospective on the checklist of issues from the Audit Scotland report.</p>



Appendix II

Audit Scotland National Studies

Report	Publication Date	Summary of Findings	Angus Council Action
The cost of public sector pensions in Scotland	February 2011	This report sets out information on the costs of the six main public sector pension schemes in Scotland. It is intended to supplement the independent Public Services Pensions Commission's review and provide clarity, transparency and understanding on the costs and key features of the main schemes that operate in Scotland. It sets out how the schemes operate within the UK framework, how costs are controlled and the governance arrangements for the schemes.	The report was reviewed by senior officers and contains a lot of helpful information about various pension schemes. It was not submitted to members on the basis that it contained no specific actions for the Council.
Maintaining Scotland's roads: a follow-up report	February 2011	The overall aim of the audit was to review the extent to which the recommendations in <i>Maintaining Scotland's roads</i> have been implemented and what has changed as a result.	The report was submitted to Infrastructure Services committee in April 2011. The committee report has appendices which includes <ul style="list-style-type: none">• a summary of the national report's findings• the report's recommendations• recommendations from the original (2004) study updated for Angus position at 2008 and 2011



Appendix II Audit Scotland National Studies

Report	Publication Date	Summary of Findings	Angus Council Action
How councils work: an improvement series for councillors and officers – Arm’s length external organisations (ALEOs): are you getting it right?	June 2011	This is the second report in Audit Scotland’s “how councils work’ series. It is aimed at Councils that are considering setting up ALEOs to deliver services, as well as those with existing ALEOs. It is designed to promote and encourage good practice in the way ALEOs are set up and operated. The report will be of particular interest to officers and councillors who are responsible for monitoring ALEO performance or who serve on ALEO boards.	The report was submitted to the Scrutiny and Audit Sub-committee on 23 August 2011. The committee agreed to note the terms of Audit Scotland’s report and note that Angus had two organisations that fell within the definition of ALEO; Angus Community Care Charitable Trust and Angus Environmental Trust. They also agreed that these organisations and any new ALEOs be reviewed, using the toolkit outlined in the report and that the Director of Corporate Services report back the outcome of these reviews by 31 March 2012.
Transport for health and social care	August 2011	The overall aim of the audit was to assess the efficiency and effectiveness of transport for health and social care in Scotland. It assessed how well agencies work together to plan and deliver transport for health and social care to meet local needs. Where possible, it has identified potential savings and good practice examples.	The Council aims to take the report to the next Scrutiny and Audit sub-committee.



Appendix II Audit Scotland National Studies

Report	Publication Date	Summary of Findings	Angus Council Action
Scotland's public finances: addressing the challenges	August 2011	The report provided an overview of the financial environment facing the public sector in Scotland the cost pressures faces. It outlined what the public sector is doing to respond to current and future budget reductions, and highlights a number of key risks and issues that the public sector needs to manage in responding to the challenges.	This report was presented to the Scrutiny and Audit Sub- Committee in September 2011, where Members noted the content of the report.
Modernising the planning system	September 2011	The audit aimed to assess whether recent reform and modernisation of the planning system is making it more economic, efficient and effective. It evaluated the overall progress made by the public sector in modernising the planning system and the impact that modernisation is having on Council's performance in managing planning applications. The private sector also has a role to play in modernising the planning system; however, this was not looked at as part of this audit.	The Council aims to take this report to the next Scrutiny and Audit sub-committee and the Development and Planning Committee



Appendix III Acronyms

ALEO	Arms Length External Organisations	LASAAC	Local Authority (Scotland) Accounts Advisory Committee
AIP	Assurance and Improvement Plan	LGPS	Local Government Pension Scheme
AREP	Angus Rural and Environment Partnership	NDR	Non Domestic Rates
BV/BV2	Best Value reviews	NFI	National Fraud Initiative
BVIP	Best Value Improvement Plan	OSCR	Office of the Scottish Charities Regulator
CEEF	Central Energy Efficiency Fund	PCA	Procurement Capability Assessment
CFCR	Capital from Current Revenue	PFI/PPP	Public Finance Initiative / Public Private Partnership
CIPFA	Chartered Institute of Public Finance and Accountancy	PSIF	Public Sector Improvement Framework
COMT	Chief Officers Management Team	PSSG	Public Sector Strategy Group
COSLA	Convention of Scottish Local Authorities	RICS	Royal Institution of Chartered Surveyors
CPI	Consumer price Index	RPI	Retail Price Index
CRCEES	Carbon Reduction Commitment Energy Efficiency Scheme	SNP	Scottish National Party
EUV-SH	Existing Use Value for Social Housing	SOA	Single Outcome Agreement
FRS	Financial Reporting Standard	SPI	Statutory Performance Indicators
HRA	Housing Revenue Account	SRA	Shared Risk Assessment
IFRS	International Financial Reporting Standard	STO	Significant Trading Organisation
ISA	International Standard on Auditing	STRGL	Statement of Total Recognised Gains and Losses
LAN	Local Area Network	TPC	Tayside Procurement Consortium
		WGA	Whole of Government Accounts