

ACCOUNTS COMMISSION

2013/14

**ANNUAL
ACTION PLAN**

Progress report:
1 April 2013 – 31 March 2014


The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about/ac 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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ANNUAL ACTION PLAN – PROGRESS REPORT, 1 APRIL 2013 – 31 MARCH 2014

Key to progress:

Complete and continuing means that while an action has been completed, it continues as part of further activity, usually as part of an ongoing cyclical process.

Continuing means that the action has been started but will require further input from the Commission.

Aims and objectives	2013-14 actions (ie, to April 13)	Progress at 31 March 2014
Ensure that our audit activity holds local authorities to account and helps them improve		
Oversee the annual audit process in holding local authorities to account and helping them improve	Monitor issues arising from the annual audit process	<p>Complete</p> <p>The Commission's annual overview report was published on 27 March 2014, summarising themes arising from the annual audit.</p> <p>The Commission considered issues arising from the annual audit throughout the year. A summary of this consideration, including particular work in relation to the audit of local authority pension funds, was reported to the Commission at its meeting on 13 March 2014.</p>
	Ensure proper accounting practices are observed in published accounts, including obligations in relation to transparency and accessibility of accounts	<p>Complete</p> <p>All local authority accounts for the year to 31 March 2012 received clear audit certificates. The Commission has been reviewing the audit of local authority charities. It most recently considered the matter at its meeting on 13 March 2014.</p>
	Contribute to Audit Scotland's project to streamline the annual audit process to ensure its efficiency and effectiveness	<p>Continuing</p> <p>The Commission continues to input into Audit Scotland's ongoing 'expectations of audit' project, with a view to reporting throughout 2015.</p>
Report, in conjunction with the Controller of Audit, on local authorities' implementation of their Best Value duties	Agree and maintain a programme of reports linked with the shared risk assessment process	<p>Complete and continuing</p> <p>At its 20 June 2013 meeting, the Commission endorsed proposed Best Value audit activity arising from the shared risk assessment refresh process, in the context of the planned review of the local government Best Value audit and the advent of the community planning partnership audit.</p> <p>The following Best Value reports were published by the Commission in the year:</p> <ul style="list-style-type: none"> • City of Edinburgh Council (published 30 May 2013) • The Moray Council (27 September 2013) • Aberdeenshire Council (27 September 2013) • South Ayrshire Council (27 February 2014)

Aims and objectives	2013-14 actions (ie, to April 13)	Progress at 31 March 2014
	Review how we audit and report on Best Value, including: <ul style="list-style-type: none"> • how this reflects 'pace of improvement' • how to monitor council improvement programmes arising from Best Value audit work • how this fits with our other activities 	<p>Continuing</p> <p>Audit Scotland's Director of Performance Audit and Best Value, on behalf of the Commission, is developing a revised approach to the audit of Best Value. The Commission has overseen this work and will receive proposals later in 2014, with a view to introducing a revised approach from April 2015.</p>
Encourage improvement through our series of <i>How Councils Work</i> reports	Agree and maintain a programme of reports	<p>Complete and continuing</p> <p>The following reports in the Commission's <i>How Councils Work</i> series were published during the year:</p> <ul style="list-style-type: none"> • <i>Charging for services: are you getting it right?</i> (31 October 2013) • <i>Options appraisal: are you getting it right?</i> (20 March 2014). <p>The Commission will consider later in 2014 its next steps for its <i>How Councils Work</i> series</p>
	Gauge the impact of our previous <i>How Councils Work</i> reports	<p>Complete</p> <p>A survey of councils on the impact of the series was undertaken and will be reported to the Commission in June 2014.</p>
Report on an overview of issues arising from the annual audit	Publish a set of complementary reports setting out issues arising from the annual audit: <ul style="list-style-type: none"> • Summary of annual audit plans (by June 2013) • Overview report (by March 2014) • Summary of annual audits (by March 2014) 	<p>Complete</p> <p>Reports were submitted to the Commission as follows:</p> <ul style="list-style-type: none"> • Summary of annual audit plans: Financial Audit and Assurance Committee, 30 May 2013 • Overview report: Commission, 13 February 2014 • Summary of annual audits: Commission, 13 March 2014.

Aims and objectives	2013-14 actions (ie, to April 13)	Progress at 31 March 2014
Consider other statutory reports from the Controller of Audit on specific issues	Reports considered as appropriate	<p>Complete</p> <p>The following statutory reports were published during the year:</p> <ul style="list-style-type: none"> • Argyll and Bute Council (29 October 2013) • The Highland Council: Caithness Heat and Power: Follow-up (9 January 2014) • East Dunbartonshire Council (12 December 2013) <p>For the first two statutory reports, the Commission reached and published findings. In the case of East Dunbartonshire Council, the Commission agreed:</p> <ul style="list-style-type: none"> • to direct the Controller of Audit to undertake further investigations, and that that these be in the form of further Best Value audit work. • to invite the Council to a meeting with the Commission to discuss the reasons behind its decision.
Report, in conjunction with the Auditor General for Scotland as appropriate, on issues at a national level through a programme of relevant national performance audits	Agree and maintain a programme of reports	<p>Complete</p> <p>The following national performance audits were published during the year:</p> <ul style="list-style-type: none"> • Maintaining Scotland's roads (17 May 2013) • Managing early departures from the Scottish public sector (23 May 2013) • Housing in Scotland (11 July 2013) • Scotland's public sector workforce (28 November 2013) • Reshaping care for older people (6 February 2014)
Robustly promote recommendations and actions from each of our audits	Promote each audit as appropriate, in line with our engagement strategy	<p>Complete and continuing</p> <p>The Commission has in place a promotion strategy for each audit. This is an area that the Commission wishes to develop further.</p>

Aims and objectives	2013-14 actions (ie, to April 13)	Progress at 31 March 2014
Develop our audit activity in line with public sector reform		
Ensure that our audit activity is fit for purpose	Contribute to Audit Scotland's 'expectations of audit' project	<p>Complete and continuing</p> <p>At its meeting on 12 September 2013, the Commission considered Audit Scotland's 'expectations of audit' project and endorsed an approach to engage with Audit Scotland. This engagement is ongoing, with a view to with a view to Audit Scotland reporting to the Commission throughout 2015.</p>
Oversee, in conjunction with the Controller of Audit and the Auditor General for Scotland and our strategic scrutiny partners, an audit of community planning partnerships and outcomes, based on risk and proportionality	Review lessons from early audits and agree next stages of audit by early 2013	<p>Complete</p> <p>The Commission</p> <ul style="list-style-type: none"> • at its 20 June 2013 meeting considered a report evaluating the early audits • at its 22 August 2013 meeting agreed a response to that report • at its 12 September 2013 meeting approved a schedule of a further five audits. <p>These audits are ongoing, to be reported to the Commission from April 2014.</p>
	Promote through our audit work the principles of good governance in a changing landscape	<p>Continuing</p> <p>Governance issues featured extensively in Commission reports, and in findings on Controller of Audit reports, throughout the year.</p> <p>In its 2014 Overview of Local Government, one of the key messages is that "governance is more important than ever".</p> <p>The Commission will be considering how to reflect the issue of good governance as it revises its strategy, to be agreed in Autumn 2014.</p>
Ensure the prevention agenda features appropriately in our audit work	Report on the prevention agenda in the audit of community planning and outcomes	<p>Continuing</p> <p>The preventative agenda is reflected primarily in the audits of community planning. The current five audits are scheduled to report to the Commission from April 2014.</p>
	Review, in conjunction with the Auditor General for Scotland, our performance audit programme with particular reference to the prevention agenda	<p>Continuing</p> <p>A seminar for Commission members and the Auditor General on the performance audit rolling programme on 28 May 2013 considered how the prevention agenda features in performance audit work.</p> <p>The Commission will consider this further in Autumn 2014, as it reviews topics for the joint performance audit programme in 2015/16.</p>

Aims and objectives	2013-14 actions (ie, to April 13)	Progress at 31 March 2014
Ensure performance information that helps citizens and communities to assess the performance of their local authorities		
Direct local authorities on the performance information upon which they should report	Issue Direction in December 2013	<p>Complete</p> <p>The Commission published its 2013 Direction on 20 December 2013.</p>
Encourage local authorities to develop and maintain comparative performance information	Monitor ongoing Society of Local Authority Chief Executives Scotland benchmarking project, and review data in time for input into Direction	<p>Complete.</p> <p>As above. The Commission's 2013 Direction acknowledges the progress of the benchmarking project and requires councils take part in the project.</p>

Aims and objectives	2013-14 actions (ie, to April 13)	Progress at 31 March 2014
Continue our lead role in improving scrutiny with our scrutiny partners		
Build on our progress with our scrutiny partners in providing an even more efficient and effective approach to scrutiny	Publish and monitor the annual National Scrutiny Plan	<p>Complete and continuing</p> <p>The National Scrutiny Plan 2013/14 was published on 25 April 2013.</p>
Continue to coordinate scrutiny, in conjunction with our scrutiny partners, through a shared risk assessment process	Undertake an annual evaluation of the shared risk assessment process	<p>Complete and continuing</p> <p>At its meeting on 14 November 2013, the Commission considered a report from the Controller of Audit on the shared risk assessment process, which included a report on an evaluation of the process. The Commission noted how the process was to be take forward in 2014.</p>
	<p>Lead four strategic projects – in conjunction with our scrutiny partners - to add more value and deliver more visible change in improving the focus and impact of scrutiny across the public sector, namely:</p> <ul style="list-style-type: none"> • Designing an integrated, place-based audit and inspection framework • Developing a refined shared risk assessment process • Developing a common understanding and approach to supporting self evaluation and capacity building and improvement support within public bodies • Improving the gathering of information and intelligence 	<p>Complete and continuing</p> <p>At its meeting on 16 January 2014, the Commission considered a report from the Controller of Audit on progress in this regard. The Commission agreed:</p> <ul style="list-style-type: none"> • To prioritise its activities around holding local government to account. • Accordingly, to continue to focus the shared risk assessment process on the scrutiny of local government. • To give further consideration – at its annual Strategy Seminar – to being clear about its role in the improvement agenda. <p>The Commission with its strategic scrutiny partners is now formulating further development work.</p> <p>As the Commission revises its Strategy in Autumn 2014, it will further consider how joint work with scrutiny partners influences the improvement agenda.</p>

Aims and objectives	2013-14 actions (ie, to April 13)	Progress at 31 March 2014
Improve our engagement with local government and with our stakeholders		
Maintain our close relationship with our principal partners, namely the Auditor General for Scotland and Audit Scotland	Continue to work in partnership with the Auditor General and Audit Scotland, for example with our programme of national performance audits and the audit of community planning partnerships and outcomes	<p>Complete and continuing</p> <p>At its meeting on 17 October 2013, the Commission approved a performance audit programme in conjunction with the Auditor General.</p> <p>The Commission continues to work in conjunction with the Auditor General in the ongoing joint audits of community planning partnerships.</p>
	Promote, in conjunction with the Auditor General, the role of the public sector audit model	<p>Continuing</p> <p>The Commission continues to work in conjunction with the Auditor General to ensure that, in the promotion of their work, their roles in the public sector audit model is articulated clearly.</p> <p>The Commission is considering how to promote the public audit model through its revised strategy from 2014.</p>
Ensure effective engagement and communications with local government and with our wider stakeholders, particularly the parliament, government, scrutiny partners and citizens	Agree an annual report for the Commission and an annual update of its strategy	<p>Complete</p> <p>The Commission published its annual report and updated strategy and annual action plan on 19 June 2013.</p>
	Develop and maintain an engagement strategy, incorporating our current plans in place to engage with local government and wider stakeholders	<p>Complete and continuing</p> <p>The Commission has undertaken various engagement activities with local government stakeholders, particularly in the promotion of each of its reports.</p> <p>It has also has had the following meetings with audited bodies:</p> <ul style="list-style-type: none"> • 20 May 2013: Aberdeen community planning partnership (CPP) • 13 June 2013: North Ayrshire CPP • 13 June 2013: Scottish Borders CPP • 22 October 2013: City of Edinburgh Council • 25 October 2013: Aberdeenshire Council • 19 December 2013: Moray Council • 13 February 2014: East Dunbartonshire Council • 24 February 2014: Argyll and Bute Council • 19 March 2014: South Ayrshire Council. <p>The Commission will reconsider its engagement strategy as part of its annual review of its overall strategy.</p>

Aims and objectives	2013-14 actions (ie, to April 13)	Progress at 31 March 2014
Improve the way we work		
Continue to reduce the cost and improve the quality of audit	Reduce the cost of audit by 20 per cent in the four years from 2011/12	<p>Complete and continuing</p> <p>At the Commission meeting on 12 September 2013, the Assistant Auditor General reported that Audit Scotland will have reduced its total costs by £3.8 million, around 24% in real terms, in the four years to financial year 2014/15, thereby meeting the original plan to reduce audit charges by 20% in real terms.</p>
Develop the capacity of the Commission – both individual members and collectively – to deliver its strategy.	Maintain a development programme, for the Commission collectively and for individual members	<p>Continuing</p> <p>At its meeting on 20 June 2013, the Commission agreed:</p> <ul style="list-style-type: none"> • A business planning cycle • A secure portal site for members (launched in July 2013) <p>The Commission keeps this under review.</p>
Improve how we manage our expanding volume of business	Develop and maintain a corporate risk register	<p>Continuing</p> <p>The Commission’s risk register is currently combined with that of Audit Scotland and was subject to review throughout the year. A distinct risk register for the Commission is to be developed.</p>
	Continuously review our meeting arrangements, including meeting in public	<p>Continuing</p> <p>The Commission approves its meeting arrangements on an annual basis. It last did so on 17 October 2013. It will next consider this at its meeting on 9 October 2014.</p>

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July 2014**

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