

Education Scotland

Annual report on the 2013/14 audit



Prepared for Education Scotland and the Auditor General for Scotland
June 2014

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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Key Messages

2013/14

We have given an unqualified opinion that the financial statements of Education Scotland for 2013/14 give a true and fair view of the state of the body's affairs and of its net expenditure for the year.

Education Scotland achieved a net underspend of £1.3m, against a budget of £34.9m.

A net liability position of £2m was recorded in 2013/14 compared to £3.4m in 2013/14. This has arisen as a result of the requirement to account for activities on an accruals basis, whilst recording funding from the Scottish Government on a cash basis. The financial statements have been prepared on a going concern basis, and we are satisfied with this assessment.

The organisation has undergone a further organisational and governance restructure during the year to ensure that it remains fit for purpose and has introduced three new boards, Resources, People and Strategic Impact, to support the work of the Corporate Management Group. A three year corporate plan was formally launched in September 2013 at the Scottish Learning Festival.

Overall Education Scotland's arrangements for the prevention and detection of fraud were satisfactory during 2013/14. From our review of the key controls within the main financial systems, we concluded that Education Scotland's systems of internal control were operating effectively.

Information Technology (IT) also plays a critical role in both the day to day running of Education Scotland and the projects and policies that it helps to deliver, such as GLOW, the national schools intranet system and Curriculum for Excellence. Whilst the strategic view of how IT supports Scottish education is the responsibility of the Scottish Government, there remains a need for Education Scotland to have in place an organisational IT strategy to ensure service delivery is appropriately supported.

Outlook

We have considered the financial sustainability of Education Scotland on the basis of its financial position and budget for the remainder of the current spending review period. The financial position going forward will be more challenging with decreases in baseline budgets coupled with increasing cost pressures. This represents a major challenge for Education Scotland and expenditure during the year will require to be closely monitored to identify and address any emerging budget pressures or projected overspends at an early stage. The significant financial challenges will make maintaining or improving on the performance targets set by the Scottish Government even more challenging.

Introduction

1. This report is the summary of our findings from the 2013/14 audit of Education Scotland. The purpose of the report is to set out concisely the scope, nature and extent of the audit. It summarises our opinions (i.e. on the financial statements) and conclusions on significant issues arising.
2. The report also reflects our overall responsibility to carry out an audit in accordance with the public sector audit model which is based on the Code of Audit Practice prepared by Audit Scotland (May 2011). This sets out the wider dimensions of the public sector audit which involves not only the audit of the financial statements but also consideration of areas such as financial performance and corporate governance.
3. An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements prepared by management. The management of the audited body is responsible for preparing financial statements that show a true and fair view and for implementing appropriate internal control systems. Weaknesses or risks identified by auditors are only those which have come to their attention during their normal audit work, and may not be all that exist.
4. This report has been prepared for the use of Education Scotland and no responsibility to any third party is accepted.
5. Appendix A is an action plan setting out the high level risks we have identified from the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "planned management action". We do not expect all risks to be eliminated or even minimised. What we expect is that Education Scotland understands its risks and has arrangements in place to manage these risks. Board Members should ensure that they are satisfied with the proposed management action and have a mechanism in place to assess progress.
6. This report is also addressed to the Auditor General for Scotland and will be published on our website after consideration by the Audit and Risk Committee.

Conduct and scope of the audit

7. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in the Annual Audit Plan presented to the Audit and Risk Committee on 21 February 2014, and follow the requirements of the Code of Audit Practice prepared by Audit Scotland in May 2011.
8. As part of the requirement to provide full and fair disclosure of matters relating to our independence we can confirm that we have not undertaken any non-audit related services. The 2013/14 agreed fee for the financial statement audit was disclosed in the Annual Audit Plan and as we did not have to carry out any additional work outwith our planned audit activity this fee remains unchanged.

Audit opinion & accounting issues

9. Subject to the satisfactory conclusion of any outstanding matters and receipt of a revised set of financial statements for final review, we anticipate being able to issue an unqualified auditor's report on 25 June (the proposed report is attached at Appendix B). There are no anticipated modifications to the audit report.
10. We received the unaudited financial statements on 22 April 2014 in accordance with the agreed timetable. The working papers were of a high standard and the staff provided good support to the audit team. We completed our on-site field work on 26 May.
11. Education Scotland is required to follow the 2013/14 FReM and we can confirm that the financial statements have been properly prepared in accordance with these accounting requirements.

Significant findings (ISA260)

12. During the course of the audit we identified a number of significant issues regarding the appropriateness of accounting policies or accounting estimates and judgements, the timing of transactions, the existence of material unusual transactions or the potential effect on the financial statements of any uncertainties.
13. **Going concern:** the balance of taxpayers' equity at 31 March 2014 is reported as £ (2m) (31 March 2013 £ (3.4m)). The financial statements are normally prepared on the assumption that an entity is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operations. This may be called into doubt if there are significant net liabilities in the statement of financial position. While the current net liability is not significant, Education Scotland will wish to consider any consequences should the balance of taxpayers' equity reduce in future years.

Resolution: an explanation of the adoption of the going concern basis is included in the annual accounts and assurance is to be provided in the letter of representation that the negative balance on taxpayers' equity will not impact on the continuing operation of Education Scotland. For the purpose of concluding the audit we have received assurances that the funding requirements to meet 2014/15 net expenditure have been agreed with the Scottish Government.

14. **Disclosure of leasing commitment for Optima building:** Leasing commitments attributable to Education Scotland for its occupancy of the Optima building have not been disclosed in the accounts and related notes. This is because the leasing agreement is held by the Scottish Government and consequently the Scottish Government pays the leasing charges.

Resolution: The notes to the accounts have been amended to reflect leasing commitments. Management, in consultation with the Scottish Government are considering the future accounting treatment and method of payment of leasing costs for the Optima building.

Resolution: Education Scotland is to introduce a charging policy to ensure transparency and ensure value for money is obtained from the purchase of software for schools.

15. **Stewardship of non-current assets (NCA):** Audit testing identified a fully depreciated asset with a gross current replacement cost of £10,029 which was included in the Non Current Asset Register (NCAR) but which could not be located when we carried out a verification exercise. We have been advised that the asset has been disposed of and should not have been included in the NCAR.

Resolution: Education Scotland has agreed to review all assets in the NCAR which are fully depreciated and to ensure that any such assets included in the NCAR can be physically verified.

Outstanding matters

16. At the date of this report Education Scotland has been unable to provide a complete remuneration report; therefore we remain to confirm the remuneration report once available for audit.
17. We remain to receive the finalised and agreed version Internal Audit's annual report. We understand that this will be submitted to the June meeting of the Audit and Risk Committee.
18. Subject to satisfactory conclusion of these outstanding matters we will issue our audit opinion along with the signed financial statements.
19. Any issues that emerge from these final checks will be raised and discussed with the Finance and Procurement Manager. We would expect these to be resolved satisfactorily but will highlight any further significant findings to the Accountable Officer and the Audit and Risk Committee

Audit opinion and representations

20. We are required to report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature which we regard as errors less than £1,000.
21. A number of presentational and monetary adjustments were identified within the financial statements during the course of our audit. These were discussed with the Finance and Procurement Manager who agreed to amend the unaudited financial statements.
22. One monetary error was identified which was not processed through the financial statements by management. If adjusted this would have the effect of increasing net operating costs by £27,000 for the year shown in the Statement of Comprehensive Net Expenditure. The impact on the Statement of Financial Position would be that net assets would decrease by £27,000. It is our responsibility to request that all errors be corrected although the final decision on this matter rests with those charged with governance taking into account advice from officers and materiality. Management considered that this adjustment was not material to the financial statements.

23. As part of the completion of our audit we seek written assurances from the Accountable Officer on aspects of the financial statements and judgements and estimates made. A draft letter of representation under ISA580 is attached at Appendix C. This should be signed and returned by the Accountable Officer with the signed financial statements prior to the independent auditor's opinion being certified.

Scottish Government accounts consolidation pack and Whole of Government accounts information.

24. Education Scotland is required to complete a Scottish Government Consolidation pack which we are required to audit. This pack includes a section to provide information for the whole of government accounts (WGA), which are the consolidated financial statements for all branches of government in the UK. We are not required to audit this section of the pack as Education Scotland falls below the de-minimis level for audit of £300m of gross expenditure.
25. Education Scotland is required to submit an audited consolidation pack to the Scottish Government prior to the deadline of 20 June 2014. This part of the audit is on going and we anticipate that the audited return will be submitted by the target date.

Financial position

2013/14 Outturn

26. The main financial objective for Education Scotland is to ensure that the financial outturn for the year is within the resource budget allocated by Scottish Ministers. The Scottish Government sets a resource budget for the year which originates from the spending review settlement and is subsequently approved in the Budget Bill. During the year, revisions are approved in the autumn and spring budget revisions. Education Scotland is expected to manage its budget in accordance with its framework document and the Scottish Public Finance Manual (SPFM).
27. Education Scotland operated within the resource budget for 2013/14 of £34.9m as detailed in table 1 below.

Table 1: Resource Budget

	Initial Budget (£'m)	Final Budget (£'m)	Actual Outturn (£'m)	Under / (Over) spend
Resource DEL	23.3	34.9	33.6	1.3

Source: Education Scotland Annual Accounts 2013-14, and Scottish Budget documents for 2013-14

28. As shown in Table 1, the overall underspend was £1.3m. The net outturn of £33.6m was financed by cash funding from the Scottish Government.

29. Capital outturn was £0.19m against a budget of £0.02m. This overspend was funded by utilising some of the resource budget to purchase new IT systems, and laptops. Spending resource budget for capital expenditure is acceptable under the FReM, and SPFM.
30. The net total underspend represents 3.7% per cent of Education Scotland's budget for the year.

2013/14 Financial Position

31. The statement of financial position shows a net liability position of £2m at 31 March 2014 which represents a reduction of £1.4m from 2012/13. Education Scotland has been proactive in working with local authorities prior to the year end to ensure the majority of invoices were received and paid before 31 March. This has contributed to a significant proportion of the reduction in net liability.
32. The financial statements were prepared on a going concern basis as Education Scotland has no reason to believe that the support of the sponsor, the Education and Lifelong Learning Portfolio, will not be forthcoming. We are satisfied that the financial statements have been prepared on a going concern basis, and that an appropriate disclosure has been made in the financial statements.
33. A net liability position is likely to remain for the foreseeable future due to the cash basis of Scottish Government Agency funding and the requirement to report on accruals basis.

Financial planning

34. The Spending Review of 2011 set Education Scotland's baseline budget for the years up until 2014/15 as set out in Table 2.

Table 2: Baseline budget

	2013/14 £'m	2014/15 £'m	Average decrease %
Baseline budget	23.3	21.8	6.3

Source: Scottish Spending Review 2011 and Draft Budget 2014/15

35. Education Scotland's baseline budget will decrease by 6.3% for the remainder of the spending review period. However, the Scottish Government is still to allocate additional funds for specific areas of work such as GLOW (Scotland's national intranet for schools), Community Learning and Development (CLD), and other key education policy areas for 2014/15.

Financial sustainability

36. Future budgets will present continuing challenges for the organisation as it works to maintain and improve performance from fewer resources. It has made good progress since 2011 in reducing expenditure, but further significant cost reductions will become increasingly difficult.

37. Education Scotland will require to have sound arrangements in place for developing and agreeing its financial plans and their sustainability in the longer term.

Refer action plan no 1

Organisational capacity

38. Currently, the major challenge for all public bodies is to implement the changes required to deliver the necessary budget reductions but retain the necessary capacity to maintain service delivery, and meet business plan objectives. Education Scotland has reduced staffing levels by 30% since 2011. Since 2013/14 however the organisation has been experiencing increasing responsibilities and workload.
39. In the face of previous staffing reductions and the challenges of meeting new responsibilities whilst facing further budget cuts there is a risk that the organisation may have insufficient staff to meet strategic plan objectives.

Refer action plan no 2

Corporate governance and systems of internal control

Overall governance arrangements

40. The Code of Audit Practice gives auditors a responsibility to review and report on audited bodies' corporate governance arrangements. During 2013/14, Education Scotland undertook a further organisational and governance restructure to ensure that it remains fit for purpose. As part of the restructure, Education Scotland introduced 3 new boards in order to support the work of the Corporate Management Group:
- People Board,
 - Resource Board
 - Strategic Impact Board.
41. Each of these boards is chaired by one of the strategic directors. The remit and responsibilities of the boards have been agreed in formal Terms of Reference however in practise the operation of these boards is still being established in the overall corporate governance structure so at this stage we are unable to make further comment on their operation.

Governance Statement

42. The 2013/14 Governance Statement has been enhanced by the inclusion of a section documenting an assessment of risks to the internal control environment and how these have been addressed. As part of this process Strategic Directors contributed to the completion of the Scottish Public Finance Manual (SPFM) internal controls checklist. This is essentially the certificate of assurance for the Accountable Officer to consider. We had previously reported that this process could be improved by each Strategic Director issuing a formal letter to the Accountable Officer to record that they are satisfied that the final document reflects all the

relevant the issues relating to their area of responsibility. We are pleased to note that this improved process has been introduced during 2013/14.

43. The Accountable Officer has a responsibility for conducting, at least annually, a review of the effectiveness of the agency's governance framework including the system of internal control. The review of effectiveness is informed by several arrangements, one of which is the work of the internal auditors. The internal auditor's are expected to submit regular reports to the organisation's Audit and Risk Committee, including the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement. During 2013/14 there were significant delays in issuing reports to Education Scotland. The delays hindered the completion of the governance statement and the external audit process.

Refer action plan no 3

Framework Document and Corporate Plan

44. Two key features of the organisation's governance framework are its Framework Document and Corporate Plan. Education Scotland's Framework Document was formally approved by the Scottish Government in December 2012, 18 months after the formation of the organisation.
45. The Corporate Plan, covering the period 2013/14 to 2015/16, was formally launched at the Scottish Learning Festival in September 2013. The Corporate Plan sets out the 6 strategic objectives for the organisation for the period 2013-16 and how each success against each strategic objective will be measured. As the Corporate Plan was only introduced part way through 2013/14, it is still being embedded into the organisational culture and communicated throughout the organisation and as such it is difficult to make further comments on the effectiveness.

Risk Management

46. Education Scotland has continued to develop its corporate risk register during 2013/14. We have previously reported that there was a risk that it was not clear how operational risks aligned to the corporate objectives, and that this may hinder the non-executive director's ability to fully scrutinise the corporate risk register. We are pleased to note that some progress has been made by Education Scotland on improving Risk Management processes throughout 2013/14 and that a representative of the Scottish Government Internal Audit Division now sits on the Education Scotland risk forum group to advise on best practise for risk management.

IT strategy

47. In 2012/13 we reported that Education Scotland was in the process of investing in a new corporate IT platform. This project was linked to Strategic Objective 6 in the Corporate Plan and was aimed to give a degree of operational flexibility that Education Scotland felt it needed that was not available as part of the SCOTS IT platform. This project was initiated in May 2012 with an initial budget of £662k which had increased to £803k by December 2013. The project was unable to meet delivery milestones partly due to delays in procurement and also

the need for the platform to comply with new Government Security marking, which came in to effect in April 2014.

48. Successful delivery of this project was raised as a key risk in our Annual Audit Plan. During 2013/14 Internal Audit carried out a review of the new EdScot IT Platform. This review highlighted a number of significant weaknesses in risk management, control and governance arrangements employed throughout the project.
49. Internal Audit's key recommendation is that Education Scotland should undertake a substantive and strategic "taking stock" review of the EdScot IT platform. Details of what Education Scotland should consider as part of this review are detailed fully in the agreed Internal Audit report, including a fundamental review of the project, the governance roles and responsibilities and a reassessment of the organisation needs from its corporate IT platform.

Refer action plan no 4

50. In addition to the development of the new internal IT platform, IT also plays a critical role in both the day to day running of Education Scotland and the projects and policies that it helps to deliver, such as GLOW, the national schools intranet system and Curriculum for Excellence. Whilst the strategic view of how IT supports Scottish education is the responsibility of the Scottish Government, there remains a need for Education Scotland to have in place an organisational IT strategy to ensure service delivery is appropriately supported. We have previously reported on this and also included it as a key risk in our Annual Audit Plan however the agreement and implementation of an IT strategy is still outstanding.

Refer action plan no 5

Accounting and internal control systems

51. While auditors concentrate on significant systems and key controls in support of the opinion on the financial statements, their wider responsibilities require them to consider the financial systems and controls of audited bodies as a whole. However, the extent of this work should also be informed by their assessment of risk and the activities of internal audit.
52. No material weaknesses in the accounting and internal control systems were identified during the audit which could adversely affect the ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements.
53. Internal audit is an important element of Education Scotland's governance structure. Our review established that the work of internal audit is of a good quality allowing us to place reliance on a number of areas including:
 - Governance arrangements
 - EdScot IT platform
 - Provision of Policy advice
54. This not only avoided duplication of effort but also enabled us to focus on other key risk areas.

55. In the interests of an efficient audit approach we also rely on assurances received from the auditor of the Scottish Government on work performed on the Scottish Government Central systems that are used by Education Scotland. This approach ensures we are delivering an efficient co-ordinated audit that avoids unnecessary duplication and expense.

Prevention and detection of fraud and irregularity

56. In our Annual Audit Plan we highlighted the responsibility audited bodies have for establishing arrangements to prevent and detect fraud and other irregularities. In our opinion Education Scotland's overall arrangements for the prevention of fraud are satisfactory, although it should be noted that no system can eliminate the risk of fraud entirely.

NFI in Scotland

57. Audit Scotland has coordinated another major counter-fraud exercise working together with a range of Scottish public bodies, external auditors and the Audit Commission to identify fraud and error. These exercises, known as the National Fraud Initiative in Scotland (NFI), are undertaken every two years as part of the statutory audits of the participating bodies. The latest exercise started in October 2012 but is not due to report until June 2014.
58. The NFI works by using data matching to compare a range of information held on bodies' systems to identify potential inconsistencies or circumstances that could indicate fraud or error which are called 'matches'. Where matches are identified these are made available to bodies to investigate.
59. As Education Scotland uses Scottish Government financial systems, any matches identified would be sent to Scottish Government Human Resources Shared Services to investigate in the first instance. We will report to Education Scotland's Audit and Risk Committee in due course should any issues be identified through this process, although as of May 2014 we are not aware of any matches related to Education Scotland.

Standards of conduct and arrangements for the prevention and detection of corruption

60. Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and have proper arrangements in place for implementing and monitoring compliance with standards and codes of conduct, standing orders and financial instructions. Auditors consider whether bodies have adequate arrangements in place. No issues have been identified by us for inclusion in this report.

Best value

Best value

61. Achievement of Best Value or value for money depends on the existence of sound management arrangements for services, including procedures for planning, appraisal, authorisation and control. Audited bodies are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily. The Auditor General may require that we consider whether accountable officers

have put in place appropriate arrangements to satisfy their corresponding duty of best value. Where such requirements are not specified we may, in conjunction with ES agree to undertake local work in this area.

62. We did not undertake any specific work in this area during 2013/14.

Performance management

63. Internal performance monitoring against corporate targets and milestones using the Business Planning Tool (BPT) continued to operate throughout the year. Performance reporting to the core governance committees changed from quarterly corporate performance reports using the traffic light (RAG) matrix reporting methodology, to reporting by exception only.
64. Education Scotland's 2013/14 annual business plan was approved by the Management Advisory Board in July 2013. This document provided details of what outcomes were expected for each programme of work. Throughout the year the BPT was used to monitor the outcomes and key milestones achieved from Education Scotland's activities. We have previously reported that there is a need to identify and publish forward looking performance measures through which performance can be measured on an ongoing basis. From our and Internal Audits review of the use of the BPT during 2013/14 we have found that it is used inconsistently across the organisation and does not easily collate and gather forward looking performance measures.

Refer action plan no 6

Management of major projects and partnership working

65. Education Scotland is involved in many high profile projects, such as Curriculum for Excellence and the GLOW project. These projects require Education Scotland to demonstrate robust contract and partnership management skills. Staff at strategic director level have been given responsibility for delivering major projects such as Glow and Curriculum for Excellence and updates on these projects have been shared with the CMG and the relevant supporting boards on a regular basis throughout 2013/14.

Sustainability Reporting

66. Education Scotland includes a sustainability report within the management commentary that accompanies the financial statements. This requirement was introduced in 2011/12, and Education Scotland has continued to refine reporting in this area. In previous years we have suggested improvements to this report and we are pleased to report that these amendments have been made for 2013/14.

Procurement

67. Education Scotland carried out additional work on their procurement governance and processes in 2013/14. This work is reflected in an improved assessment in the annual Procurement Capabilities Assessment carried out by the Scottish Government Procurement and Commercial Directorate (53% in 2013/14, 42% in 2012/13). An independent review is

currently underway to determine if Education Scotland could effectively make use of the Scottish Government's shared service for procurement, as a mechanism for reducing costs.

Acknowledgements

- 68.** We would like to express our thanks to the staff of Education Scotland for their help and assistance during the audit of this year's financial statements which has enabled us to provide an audit report within the agreed timetable.

Appendix A: Action Plan

Key Risk Areas and Planned Management Action

Action Point	Refer Para No	Issue, Risk and Recommendation	Planned Management Action	Responsible Officer/ Target Date
1	33.	<p>Financial Sustainability</p> <p>Issue: Education Scotland continues to operate in an environment of prolonged and deep cuts in funding. Future budgets will present continuing challenges for the organisation as it works to maintain and improve performance from fewer resources.</p> <p>Risk: there is a risk that Education Scotland cannot operate effectively within available funding.</p> <p>Recommendation:</p> <p>Education Scotland should ensure that sound arrangements are in place for developing and agreeing its financial plans and their sustainability in the longer term.</p>	<p>Education Scotland is aware that there are likely to be further cuts in future budgets. We have started the process of scenario planning based on our existing budget being cut in 2015-16 and beyond to ensure that we are able to meet our commitments with reduced funding. Although we have started this work we are aware that there may be changes following the independence referendum in September.</p>	<p>Gillian Howells/Stuart Robinson</p> <p>30 November 2014</p>
2	34.	<p>Workforce Reduction - Capacity</p> <p>Issue: Education Scotland has reduced staffing levels by 30% since 2011. Since 2013/14 however, the organisation has been experiencing increasing responsibilities and workload.</p> <p>Risk - The organisation may have insufficient staff levels to meet strategic plan objectives.</p> <p>Recommendation:</p>	<p>Effective workforce planning is a key strand of work. A 'people board' and 'resources board' have been established to supplement and support the existing governance arrangements to</p>	<p>S Coulter /Maureen Gore</p> <p>30 November 2014</p>

Action Point	Refer Para No	Issue, Risk and Recommendation	Planned Management Action	Responsible Officer/ Target Date
		Education Scotland requires to have adequate workforce planning arrangements in place to ensure it has the necessary capacity to maintain service delivery, and meet business plan objectives.	ensure that we have the right people with the right skills in place.	
3	36.	<p>Governance Statement</p> <p>Issue The internal auditor's are expected to submit regular reports to the organisation's Audit and Risk Committee, including the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement. During 2013/14 there were significant delays in issuing reports to Education Scotland. The delays hindered the completion of the governance statement and the external audit process.</p> <p>Risk: there is a risk that Internal Audit does not fully support the Accountable Officer in his role.</p> <p>Recommendation: Going forward, Internal audit should ensure they meet the agreed timetable of audit work and reporting.</p>	Education Scotland have already started the planning process with Internal Audit and have reviewed activities with a view to starting work earlier, where possible.	<p>Stuart Robinson/Les Henderson</p> <p>31 August 2014</p>
4	43.	<p>EdScot IT Platform</p> <p>Fundamental weaknesses have been reported with the project governance and project management of the major IT project in relation to the corporate IT platform.</p> <p>Risk: Weaknesses in the management of the IT project could</p>	A 'taking stock' review is already underway and draft findings and recommendations are due to be produced within the next few weeks. This process forms part of the	<p>Stuart Robinson</p> <p>13 June 2014</p>

Action Point	Refer Para No	Issue, Risk and Recommendation	Planned Management Action	Responsible Officer/ Target Date
		<p>lead to further increases in costs and the risk of non-delivery of the IT platform.</p> <p>Recommendation: Education Scotland should address the recommendations reported by Internal audit as a priority and consider the findings and recommendations included in Audit Scotland's national report on managing ICT contracts which was published in August 2012.</p>	development of our overall ICT strategy.	
5	44.	<p>IT Strategy</p> <p>The use of IT is key to the delivery of strategic objectives of Education Scotland. While we acknowledge some progress since our 2012/13 report, the IT strategy is yet to be finalised.</p> <p>Risk: Education Scotland may not be able to plan formally for the introduction of information systems that meet corporate business objectives.</p> <p>Recommendation: Education Scotland needs to expedite the completion of its IT strategy.</p>	We recognise that this is a key piece of work. Work is already underway and we are conscious of the need to complete this as quickly as possible whilst ensuring that the strategy is as comprehensive as possible.	<p>Stephen Coulter/Stuart Robinson</p> <p>March 2015</p>
6	60.	<p>Performance management and reporting</p> <p>Education Scotland's 2013/14 annual business plan was approved by the MAB in June 2013. The business plan includes details of outcomes to be achieved from Education Scotland's activities however, there is no reference forward looking performance measures through</p>	More work is required on aligning reporting requirements of the key strategic groups and to then further develop the Business Management Planning Tool so	<p>Alastair Delaney/Stephen Coulter/Stuart Robinson</p> <p>March 2015</p>

Action Point	Refer Para No	Issue, Risk and Recommendation	Planned Management Action	Responsible Officer/ Target Date
		<p>which performance can be measured on an ongoing basis.</p> <p>We found that there is a Business Planning Tool in place but that The Business Planning Tool is not applied consistently across the organisation.</p> <p>Risk: Education Scotland may not be able to demonstrate best value in the delivery of its outcomes and the business planning tool may not be fully effective in managing performance across the organisation.</p> <p>Recommendation: Education Scotland needs to develop performance measuring arrangements to ensure it can demonstrate best value in delivery of business outcomes.</p>	<p>that we have useful, accurate and timely information available to assist in monitoring reviewing and managing resources.</p>	