

Scottish Information Commissioner

Annual report on the 2013/14 audit



Prepared for the Scottish Information Commissioner, and the Auditor General for Scotland
October 2014

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Introduction

1. This report is the summary of our findings arising from the 2013/14 audit of the Scottish Information Commissioner (SIC). 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. 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; however this does not relieve management of their responsibilities in this respect. This report has been prepared for the use of SIC and no responsibility to any third party is accepted.
3. This report is also addressed to the Auditor General for Scotland and will be published on our website after consideration by SIC.

Background Information

4. Rosemary Agnew was appointed as Scottish Information Commissioner (the Commissioner) on 1 May 2012 for a period of 6 years.
5. The Commissioner is supported by 21 staff in leased premises in St. Andrews. The statutory functions of the Commissioner are to:
 - enforce the Freedom of Information (Scotland) Act 2002 (FOISA), the Environmental Information (Scotland) Regulations 2004 (the EIRs) and the Codes of Practice issued under sections 60, 61 and 62 of FOISA
 - provide guidance on FOISA and the EIRs to the public and promote the following of good practice by Scottish Public Authorities
 - give advice to any person on these matters.
6. The Commissioner has a statutory duty to consider and come to a decision about applications for a decision about the way in which Scottish public authorities deal with individual information requests, irrespective of how many she gets.
7. The Commissioner is a Scottish public authority in her own right, subject to the same requirements in relation to governance, efficiency and Freedom of Information as other authorities. The Commissioner is funded through the Scottish Parliamentary Corporate Body (SPCB). She carries out her functions without being directed or controlled by the Scottish Parliament or Government.

Financial statements

Conduct and scope of the audit

8. 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 Commissioner in February 2014, and follow the requirements of the Code of Audit Practice prepared by Audit Scotland in May 2011.
9. 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 non-audit related services. The 2013/14 agreed fee for the audit was disclosed in the Annual Audit Plan and as we did not carry out any work additional to our planned audit activity this fee remains unchanged.

Audit opinion & accounting issues

10. We have given an unqualified opinion that the financial statements of SIC 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. The audit opinion was formally issued and signed on 5 August 2014.
11. We received the unaudited financial statements on 30 June 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. SIC 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.

Financial position

12. The main financial objective for SIC is to ensure that the cash drawn down for the year is within the budget allocated by the SPCB. In 2013/14 SIC recorded cash expenditure of £1,382,000. Cash drawn down from the SPCB totalled £1,370,000 which was within the agreed cash budget for the financial year of £1,402,000. The remaining costs of £12,000 for 2013/14 were funded from reserves brought forward.
13. A net assets position of £199,000 was recorded in 2013/14 compared to £345,000 in 2012/13. The decrease has arisen as a result of depreciation of non current assets, and the requirement to account for activities on an accruals basis whilst recording funding from the SPCB on a cash basis.

Financial planning

14. The financial year 2013/14 was the third year of a 3 year plan which was established to reduce the budget of SIC by 15% in real terms. SIC accomplished this mainly through reduction in staffing and focussing on efficiencies.
15. The most significant risk during 2013/14 related to balancing expenditure and staffing levels against a reduced budget and increasing workload. SIC has reported that this risk was satisfactorily addressed during the year following constructive discussions with the SPCB

which considered the funding requirement of the office for 2014/15 in the context of projected caseload.

Corporate governance and systems of internal control

Overall governance arrangements

16. The Code of Audit Practice gives auditors responsibility to review and report on audited bodies' corporate governance arrangements and overall we found that SIC had sound governance arrangements in place. 2013/14 was the first year of operating joined up risk management and budget monitoring arrangements and this has resulted in reducing the risk profile of the organisation.
17. The Commissioner's governance arrangements are detailed in the governance statement included in the annual accounts. There is no set format for a governance statement but guidance has been published highlighting essential features which should be included.
18. The Commissioner's governance statement has been assessed as complying with good practice. The governance statement includes
 - details of the governance framework of the organisation
 - an assessment of corporate governance with reference to compliance with generally accepted best practice principles and relevant guidance
 - an assessment of the organisation's risk management arrangements and risk profile, including details of significant risk-related matters arising during the period.

Accounting and internal control systems

19. 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.
20. 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.

Prevention and detection of fraud, irregularity, and corruption

21. 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.
22. In our Annual Audit Plan we also highlighted the responsibility audited bodies have for establishing arrangements to prevent and detect fraud and other irregularities. In our opinion SIC'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.

Performance and Best Value

Performance

23. Statistics reported by SIC for 2013/14 highlight improvements in efficiency. The total number of cases closed during the year was 628, compared to 563 during 2012/13. SIC aims to have all cases concluded within an average of four months and the average age of the 628 cases closed was within this target.
24. During 2013/14 SIC developed a Performance and Quality Framework (PQF) to ensure performance measures and indicators are captured in various documents which are considered by the Senior Management Team. The PQF was implemented on 1 April 2014 and early indications are that SIC is achieving the key performance targets.

Best value

25. 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 SIC agree to undertake local work in this area.
26. We are satisfied that there were adequate procedures in place to help secure best value during 2013/14.
27. From our audits of numerous Commissioner and Commission bodies we note the considerable time investment made to ensure effective risk management and governance arrangements, and also for the preparation of financial accounts. At a time of reducing budgets we would encourage public bodies of a similar nature and size to work supportively with each other, sharing skills and strengths and internal developments which demonstrate best practice in these areas, in the pursuit of best value.

Acknowledgements

28. We would like to express our thanks to the staff of SIC 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.