

Student Awards Agency for Scotland

Annual report on the 2010/11 audit



Prepared for Student Awards Agency for Scotland and the Auditor General for Scotland
November 2011

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

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Key messages

2010/11

In 2010/11 we looked at the key strategic and financial risks being faced by the Student Awards Agency for Scotland (SAAS). We audited the financial statements and we also reviewed the use of resources and aspects of performance management and governance. This report sets out our key findings.

We have given an unqualified opinion on the financial statements of SAAS for 2010/11. SAAS's overall financial position at 31 March 2011 is a healthy one, with net assets of £2.4 million.

SAAS had an underspend against their 2010/11 resource budget of approximately £0.7 million. This underspend was largely due to amortisation charges not being incurred as a result of the delay in implementing the new awards processing system (StEPS). SAAS also made savings on solicitor expenses as a result of improved processes. Our overall conclusion on SAAS's internal control environment is that arrangements within SAAS are sound and have operated through 2010/11.

The difficult financial climate currently facing the country is creating a particular challenge for SAAS in managing increased student applications, whilst controlling costs and remaining within their agreed budget. SAAS is striving to meet this challenge by streamlining their processes wherever possible to improve service delivery.

Outlook

SAAS has a budget, which has been approved by the Scottish Parliament, for 2011/12 of £7.3m for operating expenditure and £0.4m for capital expenditure. At present the budget does not include an allocation for the Individual Learning Programme (ILA). However, SAAS will receive additional budget at SBR to cover its ILA operating costs and has secured additional budget over the spending review period to reflect its growth in operations. Continued robust budget management will be key for the Agency going forward.

Introduction

1. This report is the summary of our findings arising from the 2010/11 audit of the Student Awards Agency for Scotland (SAAS). The purpose of the annual audit report is to set out concisely the scope, nature and extent of the audit, and to summarise the auditor's opinions (i.e. on the financial statements) and conclusions and any significant issues arising. The report is divided into sections which reflect the extent of our public sector audit model.
2. Reports have been issued in the course of the year (Appendix A) and we do not repeat all of the findings in this report, but instead we focus on the financial statements.
3. Appendix B 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 SAAS understands and has arrangements in place to manage these risks. The Board and Accountable Officer should ensure that they are satisfied with the proposed management action and have a mechanism in place to assess progress.
4. This report is addressed to SAAS and the Auditor General and should form a key part of discussions with audit committees, either prior to, or as soon as possible, after the formal completion of the audit of the financial statements. Reports should be made available to stakeholders and the public, where appropriate. Audit is an essential element of accountability and the process of public reporting.
5. This report will be published on our website after consideration by SAAS's Audit Committee.
6. 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 our attention during their normal audit work, and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Financial statements

7. Audited bodies' financial statements are an essential part of accounting for their stewardship of the resources made available to them and their performance in the use of those resources.
8. Auditors are required to audit financial statements in accordance with the timescales set by Audit Scotland, which may be shorter than statutory requirements, and give an opinion on:
 - whether they give a true and fair view of the financial position of audited bodies and their expenditure and income
 - whether they have been properly prepared in accordance with relevant legislation, the applicable accounting framework and other reporting requirements
 - the regularity of the expenditure and income (except for local government bodies).
9. Auditors review and report on, as appropriate, other information published with the financial statements, including the management commentary, statement on internal control and the remuneration report. Where required, auditors also review and report on the Whole of Government Accounts return. This section summarises the results of our audit on the financial statements.

Audit opinion

10. We have given an unqualified opinion on the financial statements of SAAS for 2010/11.
11. SAAS is required to follow the 2010/11 Government Financial Reporting Manual (the FReM) and we confirm that the financial statements have been properly prepared in accordance with the FReM.

Regularity

12. In accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000, we have also provided an opinion, that in all material respects, the expenditure and receipts in the financial statements were incurred or applied in accordance with applicable enactments and guidance.

Remuneration report and statement on internal control

13. In our opinion, the audited part of the remuneration report has been properly prepared and is consistent with the financial statements.
14. We also confirm that we have no issues to report to you on the statement on internal control and its compliance with guidance.

Accounting issues

Accounts submission

15. A comprehensive set of financial statements and working papers were submitted for audit on 16 May, in accordance with the pre-agreed timetable. The audit fieldwork was completed by 27 May and issues arising from the audit were cleared with the Head of Finance on 30 May. A report covering any significant matters on the financial statements was issued for the Audit Committee held on 16 June. The revised financial statements were signed by the SAAS Chief Executive who is the Accountable Officer on 5 July.

Presentational and monetary adjustments to the unaudited accounts

16. A small number of presentational changes were required to the annual report and accounts as a result of our review of the disclosures required by the FReM. No monetary changes were identified by the audit process. This reflects the good quality unaudited financial statements that were produced by SAAS finance staff.

Prior year adjustments

17. All central government bodies have been affected by the removal of the cost of capital in the 2010/11 FReM. This change is identified in the accounting policies and appropriate amendments have been made to the prior year statements.

Consolidation Process

18. SAAS's financial statements are consolidated within the overall financial statements produced by the Scottish Government. SAAS was required to submit a draft consolidation pack to the Scottish Government and to us to audit by 1 June. The pack was submitted to us on 16 May which allowed the audit to be completed within the Scottish Government's timeframe.

Outlook

19. The main change in the financial reporting framework (FReM) next year (2011/12) is that grants and donated assets should be recognised immediately, unless there is a condition that the recipient had not satisfied that would lead to repayment. Most grants and donated assets should be recognised as income. As a consequence, the government grant reserve and donated asset reserve will no longer exist.
20. Looking further ahead, from 1 January 2013 changes to international financial reporting standards (IFRSs) will become effective. This includes the introduction of:
 - IFRS 9 - financial instruments (replacing IAS39)
 - IFRS 10 - consolidated financial statements (replacing IAS27)
 - IFRS11 - joint arrangements (replacing IAS31)
 - IFRS12 - disclosure of interest in other entities (replacing IFRS12)
 - IFRS 13 - fair value.

21. Revisions to the FReM for 2013/14 are included in the Financial Reporting Advisory Board (FRAB) forward work programme for 1 December 2011.

Audit appointment for 2011/12

22. Audit appointments are made by the Auditor General, either to Audit Scotland staff or to private firms of accountants for a five year term with 2010/11 the last year of the current audit appointment. The procurement process for the next five years was completed in May 2011. We are pleased to state that Audit Scotland will continue to be the appointed auditor for the next five year term. We would like to acknowledge the good working relationship that has existed during our current appointment term and to thank officers and members of the board and committees for their assistance during the last five years.

Financial position

23. Audited bodies are responsible for conducting their affairs and for putting in place proper arrangements to ensure that their financial position is soundly based.
24. Auditors consider whether audited bodies have established adequate arrangements and examine:
 - financial performance in the period under audit
 - compliance with any statutory financial requirements and financial targets
 - ability to meet known or contingent, statutory and other financial obligations
 - responses to developments which may have an impact on the financial position
 - financial plans for future periods.
25. These are key areas in the current economic circumstances. This section summarises the financial position and outlook for the organisation.

Financial results 2010/11

26. The Scottish Government provides SAAS with a budget for the year, which originates from the Spending Review Settlement and is subsequently approved in the Budget Bill. Normally, any revisions to the budget are approved in the autumn and spring budget revisions. However, in 2010/11, there was also a budget revision in summer 2010; mainly due to the elimination of the cost of capital charge by central government bodies. SAAS is expected to manage its budget in accordance with the Financial Memorandum and Scottish Public Finance Manual.
27. SAAS incurred an underspend of £0.717 million against its 'effective operating budget'¹ of £8.050 million (2010 - £net overspend of £0.160 million). The underspend is primarily due to amortisation (depreciation) charges not being incurred as a result of the delay in implementing the new awards processing system (StEPS). In addition, savings on solicitor expenses resulting from improved processes and recharging the Scottish Government Health and Social Care Portfolio the full costs of their legal charges for the recovery of debt from nursing students. The total operating costs in the financial year were £7.333m (£7.799m in 2009/10 restated) which represents a decrease of 6% compared to expenditure in the previous year.
28. Exhibit 1 and Exhibit 2 below show that SAAS predicted the net underspend against their budget at early stage of the financial year.

¹ SAAS's effective operating budget is composed of its actual operating budget of £7.710m plus notional costs which are mainly composed of centrally controlled Scottish Government expenditure and its audit fee.

Exhibit 1: Forecasted underspend/overspend (operating costs)

Period	Forecast	Budget	Variance
Quarter 1	£7,287,180	£7,576,050	£288,870 underspend
Quarter 2	£7,017,290	£7,576,050	£558,760 underspend
Quarter 3	£7,162,330	£7,709,950	£547,610 underspend
Quarter 4	£6,983,150	£7,709,950	£726,800 underspend

Exhibit 2: Forecasted underspend/overspend (capital costs)

Period	Forecast	Budget	Variance
Quarter 1	£734,980	£417,000	£317,980 overspend
Quarter 2	£709,130	£717,000	£7,870 underspend
Quarter 3	£712,690	£720,560	£7,870 underspend
Quarter 4	£723,570	£720,560	£3,010 overspend

29. The SAAS financial statements are limited to account for the Agency's administration costs. However, it is important to note that SAAS also administers a budget of approximately £504m programme expenditure with regards to student funding on behalf of the Scottish Government.

Financial position at 31 March 2011

30. SAAS's overall reserve position has improved by £0.143 million during the year. This is mainly due to an increase in the value of SAAS's intangible assets from the continued investment in StEPS.

Capital investment and performance 2010/11

31. During the year SAAS spent £0.715 million (2009/10 £1.096 million) on capital projects. The majority of this spend was to fund StEPS. Capital expenditure was funded from the separate budget of £0.720m which was approved by the Scottish Parliament.

Financial planning to support priority setting and cost reductions

32. The difficult financial climate currently facing the country is creating a particular challenge for SAAS in managing increased student applications, whilst controlling costs and remaining within their agreed budget. SAAS is striving to meet this challenge by streamlining their processes wherever possible to improve service delivery. Examples of this include the implementation of the new processing system and using social media to improve communications with students.

Workforce reduction

33. As part of the Scottish Government's voluntary redundancy schemes, 7 members of SAAS staff were given exit packages in 2010/11 (there were no exit packages in 2009/10). The schemes are open to all grades of staff and are designed with the intention of reducing costs in the longer term. This, along with other changes, meant that the average number of full-time equivalent people employed during 2010/11 was 158 (168 in 2009/10). SAAS also significantly reduced the number of agency staff that was required during 2010/11 to 5 (13 in 2009/10).

Partnership working

34. SAAS works closely with all of Scotland's Universities and Colleges. This close working relationship was instrumental in communicating to students the existence of the 'Guarantee Date'². The implementation of the 'Guarantee Date' encouraged 90,000 students to submit their applications for student support by the 30 June 2010 which ensured that they received their support on time; this was twice as many as the previous academic year.
35. SAAS is also working with the Universities and Colleges to reduce the amount of overpayments paid to students who leave their courses without informing SAAS. Weekly status reports are produced by SAAS and sent to the Universities who confirm the accuracy of the reports. Student support payments are then suspended for any students who are no longer studying and overpayment letters issued to commence recovery action.
36. SAAS also works very closely with the Student Loans Company (SLC) in administering and processing of loans payments to students, and with the Scottish Government's Lifelong Learning Directorate. The SLC is a limited company that is partly owned by Scottish Ministers. SLC process the loan payments for Scottish students, after SAAS has made the initial assessment of the validity of the claims. The Scottish Government's Lifelong Learning Directorate act as the 'Sponsoring Directorate' for SAAS. The Directorate gives guidance to SAAS on matters policy, governance and accountability. It also acts as the primary channel of communication between SAAS and the Minister for Education.

Outlook

2011/12 budget

37. SAAS has a budget, which has been approved by the Scottish Parliament, for 2011/12 of £7.3m for operating expenditure and £0.4m for capital expenditure. At present the budget does not include an allocation for the Individual Learning Programme (ILA). SAAS will receive additional budget at SBR to cover its ILA operating costs and has secured additional budget over the spending review period to reflect its growth in operations. However, continued robust budget management will be key for the Agency going forward.

² 30 June; this is the date by which SAAS guarantee students that their application will be processed before their course begins., allowed us to improve customer service despite the growth in applications.

End Year Flexibility

38. As part of efforts to reduce national borrowing levels, the UK Government has announced the replacement of End Year Flexibility with a more restrictive budget exchange arrangement from 2011/12. The Scottish Government is in dialogue with HM Treasury about the ultimate implications for the Scottish Budget, including the extent to which it can carry forward any unspent funding from 2010/11 to future years. This should not have a large impact upon SAAS's management of its administration expenditure. However, it should provide SAAS and the Scottish Government's Lifelong Learning Directorate, more flexibility with the management of their programme expenditure of funding of student awards.

Governance and accountability

39. The three fundamental principles of corporate governance – openness, integrity and accountability – apply to all audited bodies, whether their members are elected or appointed, or whether they comprise groups of people or an individual accountable officer.
40. Through its chief executive or accountable officer, each body is responsible for establishing arrangements for ensuring the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies usually involve those charged with governance (including audit committees or similar groups) in monitoring these arrangements.
41. Consistent with the wider scope of public audit, auditors have a responsibility to review and report on audited bodies' corporate governance arrangements as they relate to:
 - corporate governance and systems of internal control
 - the prevention and detection of fraud and irregularity
 - standards of conduct and arrangements for the prevention and detection of corruption.
42. In this part of the report we comment on key areas of governance.

Corporate governance

Processes and committees

43. The Chief Executive is responsible for ensuring that SAAS fulfils the aims and objectives set by Scottish Ministers. The role of the Chief Executive includes establishing the overall strategic direction, monitoring performance against agreed objectives and ensuring that statutory requirements for the use of public funds are complied with.
44. The Audit Committee monitors and reviews risk, control and corporate governance.

Internal control

45. In common with most executive agencies in Scotland, SAAS use many of the Scottish Government's corporate systems such as the payroll and the general ledger systems. The Scottish Government external audit team evaluated the key systems within the Scottish Government and, to the extent that this evaluation allows, we placed reliance on the internal controls within those systems. The Scottish Government external audit team provided us with an audit clearance letter setting out their overall assurance. Full assurance was provided on most of the Scottish Government's systems with the exception of the travel and subsistence expenses claim system where only partial assurance could be provided due to weaknesses within the system. Additional, focussed audit work was conducted by the SAAS audit team into those areas of the accounts affected by this system. No issues arose from this work.

46. While we concentrate on significant systems and key controls in support of the opinion on the financial statements, our wider responsibilities require us to consider the financial systems and controls of audited bodies as a whole. However, the extent of this work is informed by an assessment of risk and the activities of internal audit.
47. As part of our risk assessment and planning process the Scottish Government external audit team assessed the Scottish Government's Internal Audit Division who also act as SAAS's internal auditors, and concluded that they operate in accordance with the Government Internal Audit Manual. In their annual report for 2010/11 the Scottish Government Internal Audit Division (the internal auditors), were able to provide substantial assurance in respect of the SAAS's risk management, control and governance arrangements.
48. Our overall conclusion on SAAS's internal control environment is that arrangements within SAAS are sound and have operated well through 2010/11. The statement on internal control within the 2010/11 financial statements accurately reflects the findings of internal and external audit work.

Prevention and detection of fraud and irregularities

49. Audited bodies are responsible for establishing arrangements to prevent and detect fraud and other irregularity. Auditors review and report on these arrangements.
50. SAAS has a number of arrangements in place to prevent and detect fraud, inappropriate conduct and corruption, including policies and codes of conduct for staff and Board members. However, we recognise that SAAS's core business of providing funding directly to members of the public makes it an attractive target for fraudsters.
51. In 2010/11, SAAS discovered 31 individual cases of suspected fraud with a total value of £146,000. SAAS is currently taking action to recover this money, either through criminal prosecution by the Crown Office & Procurator Fiscal Service, or through action by SAAS's Student Finance Recoveries Team. In addition, another 35 cases are currently under investigation by SAAS's Fraud Team.
52. For the last three years, SAAS has been the target of a 'Fraud Ring' which appears to be composed of organised criminals. Despite resolute action by SAAS, no prosecutions have been brought against the perpetrators. However, SAAS's actions have managed to stop most of the fraudulent applications by the Fraud Ring. Unfortunately a few payments were made and the total loss in grants is around £2,000.
53. In addition to the 'Fraud Ring', the Student Loans Company (SLC) brought to SAAS's attention another organised fraud which had targeted SAAS and other public bodies. Investigations by the Fraud team found that 38 applications, with a total value of £253,000, were submitted to SAAS between 2000 and 2006 by 2 individuals using false identities. These individuals also committed frauds against several local authorities and the Department for Work and Pension (DWP). SAAS is currently working in conjunction with DWP and Council investigators to construct a joint case to submit to COPFS.

National Fraud Initiative in Scotland

54. In conjunction with the Audit Commission, Audit Scotland has conducted data matching exercises (the National Fraud Initiative or 'NFI') since 2000. One of the primary purposes is to help public sector bodies to prevent and detect fraud and error in their financial systems. The last exercise (NFI 2008/09) led to outcomes valued at around £21 million in Scotland. To date, the exercise has been worth £58 million to the public purse and the Parliament's Public Audit Committee has been very supportive of NFI in Scotland. Across the UK, the cumulative outcomes are more than £660 million.
55. The NFI exercise is conducted every two years and the 2010/11 NFI exercise is currently underway. The 2010/11 exercise is being undertaken in Scotland using new powers for data matching which were contained in the Criminal Justice and Licensing (Scotland) Act 2010. These new powers were given to Audit Scotland in order to clarify the legal framework and to allow the scope of data matching to be extended in Scotland. Audit Scotland and the Accounts Commission provided public sector bodies with a compilation of data matches that were specifically tailored to the individual public body, in spring 2011. The bodies then reviewed these matches and where appropriate conducted further investigation. Audit Scotland will produce an overview report of the impact of the whole exercise for Scotland in spring 2012.
56. SAAS received 151 matches to review from the NFI exercise. SAAS's data is matched against numerous other data sets across the public sector. However, SAAS's primary responsibility is to investigate against Home Office Asylum and Visa data. We are pleased to report that SAAS have taken a very rigorous and thorough approach to the NFI exercise and have reviewed all of these matches. In addition, SAAS provided information to local councils on another 392 students, who had been matched against council records as part of the NFI. Overall, the NFI exercise led SAAS's Fraud Team to detect 7 frauds and 9 errors, with a combined value of over £180,000.

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

57. 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. We have concluded that the arrangements in SAAS are satisfactory and we are not aware of any specific issues that we need to identify in this report.

Best Value, use of resources and performance

58. Accountable officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. The Auditor General may require that auditors consider whether accountable officers have put in place appropriate arrangements to satisfy their corresponding duty of Best Value.
59. As part of their statutory responsibilities, the Auditor General and the Accounts Commission may procure, through Audit Scotland, examinations of the use of resources by audited bodies and publish reports or guidance. Auditors may be requested from time to time to participate in:
- a performance audit which may result in the publication of a national report
 - an examination of the implications of a particular topic or performance audit for an audited body at local level
 - a review of a body's response to national recommendations.
60. Auditors may also consider the use of resources in services or functions, where the need for this is identified through local audit risk assessments. During the course of their audit appointment auditors should also consider and report on progress made by audited bodies in implementing the recommendations arising from reviews in earlier years.
61. This section includes a commentary on the Best Value/ performance management arrangements within SAAS. We also note any headline performance outcomes/ measures used by SAAS and any comment on any relevant national reports and the body's response to these.

Management arrangements

Best Value

62. In March 2011, the Scottish Government issued new guidance for accountable officers on Best Value in Public Services. The new guidance, in essence, required public bodies to take a systematic approach to self-evaluation and continuous improvement.
63. The guidance identifies the themes which an organisation needs to focus on in order to deliver the duty of Best value, but notes that implementation should be appropriate and proportionate to the priorities, operating environment, scale and nature of the body's business.

Overview of performance in 2010/11

Performance measurement outcomes

64. SAAS's primary focus is to ensure good performance for its customers; eligible students and their families. SAAS has two strands to ensuring that good performance is provided to those customers:
- accurate and timely assessment of the application for support
 - encouraging students to submit applications as early as possible.
65. The following primary target incorporates both strands of their performance strategy: all applications received by 30 June to be processed in time for courses starting in the new academic session (earliest date 1 August). This primary target is supported by 10 other performance measures which record application processing, financial performance and external performance: See Exhibit 3 below.
- all email or written enquiries to be resolved within 21 days
 - all formal complaints and appeals to receive a response within 14 days
 - 75% of student applications to be processed within 14 days and 90% of applications to be processed within 21 days
 - average unit cost per application to be less than £40
 - less than 1 in 1000 applications to generate a formal complaint to SAAS and
 - less than 10 formal complaints to be upheld by Scottish Public Sector Ombudsman in the life of the corporate plan
 - 100% of ministerial correspondence to be delivered within target
 - 100% of invoices to be paid within 10 days
 - 30% of opening debt to be recovered during the year.

Exhibit 3: SAAS's performance against its measures for the last three years

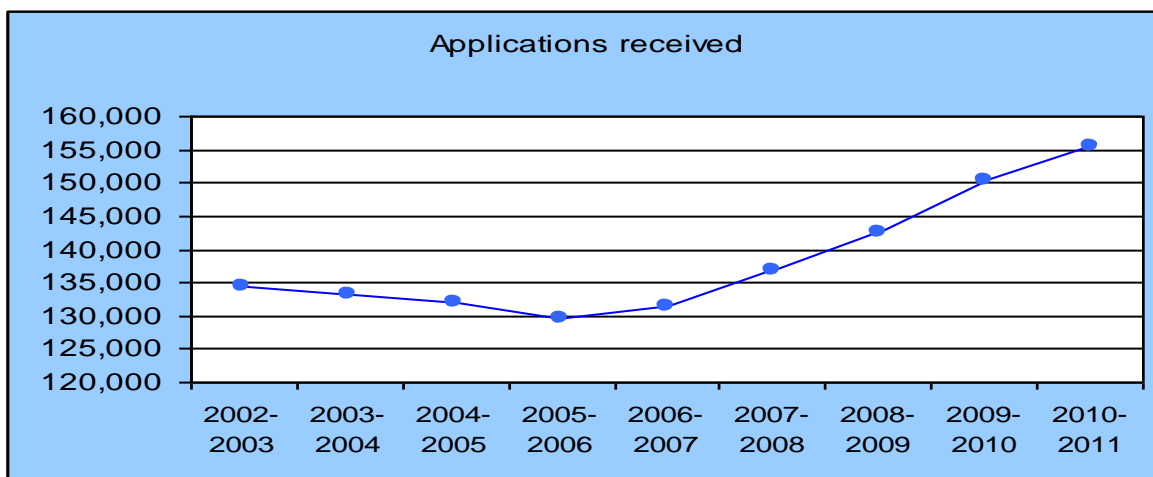
Targets	Performance 2008/2009	Performance 2009/2010	Performance 2010/2011
Key Targets			
All applications received by 30 June to be processed in time for courses starting in the new academic session (earliest start date 01 August)	Not available	Not available	100%
All email or written enquiries to be resolved within 21 days	93%	98%	98%
All formal complaints and appeals to receive a response within 14 days	98%	96%	93%
Processing:			
To process*: 75% of applications within 14 days of receipt, and 90% within 21 days.	83% within 14 days 95% within 21 days	65% within 14 days 75% within 21 days	50% within 14 days 56% within 21 days
Average unit cost of less than £40 to process an application based on relevant costs.	£37.12	£36.13	£36.54
Complaints			
Less than 1 in 1,000 applications to generate a formal complaint to SAAS	0.69 per 1,000 applications	0.76 per 1,000 applications	0.69 per 1,000 applications
Less than 10 formal complaints to be received/upheld by the Scottish Public Sector Ombudsman	Not available	3 received 0 upheld	2 received 0 upheld

Targets	Performance 2008/2009	Performance 2009/2010	Performance 2010/2011
100% of ministerial correspondence to be delivered within target: ministerial replies (10 working days) official replies (20 working days)	Not available	87% ministerial replies 100% official replies	98% ministerial replies 100% official replies
Financial Performance			
100% of invoices to be paid within 10 days (30 days prior to Dec 08)	98.0%	99.8%	96.9%
30% of opening debt to be recovered during the year	31%	25%	30%

Source: SAAS Annual Report 2010/11

66. The current economic downturn meant that there has been a large increase in the number of students applying for funding from SAAS in recent years (see Exhibit 4). There were 155,364 applications in 2010/2011; this represents a 3% increase over 2009/10, which was in turn a 7% over the previous academic year. Despite this significant increase in demand, the performance measures show that overall SAAS are performing well.

Exhibit 4:



Source: SAAS Annual Report 2010/11

Efficiency targets

67. Unlike other central government bodies, SAAS has not been set specific efficiency targets by the Scottish Government. However, there is an expectation that SAAS will continue to control costs and remain within their agreed budget. SAAS will need to do this in an environment where they are facing pressure from increased input costs due to inflation and increased demand for their services. SAAS is striving to meet this challenge by streamlining their processes wherever possible to improve service delivery.

National performance reports

68. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. Reports in the last year of interest are shown below (see Exhibit 5)::

Exhibit 5: A selection of National performance reports 2010/11

- Improving energy efficiency: a follow-up report
- Scotland's public finances: responding to the challenges
- The role of boards
- Role of boards: a summary for non-executive board members
- Management of the Scottish Government's capital investment programme
- The cost of public sector pensions in Scotland

Source: www.audit-scotland.gov.uk

Appendix A: audit reports

External audit reports and audit opinions issued for 2010/11

Title of report or opinion	Date of issue	Date presented to Audit Committee
Annual Audit Plan	29 October 2010	4 November 2010
Progress on 2009/10 review of operational controls report	10 June 2011	16 June 2011
Report on financial statements to those charged with governance	10 June 2011	16 June 2011
Audit opinion on the 2010/11 financial statements	10 June 2011	16 June 2011

Appendix B: action plan

Key Risk Areas and Planned Management Action

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
1	52	Reducing Overpayments, Errors, and Fraud: The continuing existence of an organised 'Fraud Ring' has highlighted the need for SAAS to remain vigilant against the risk of fraud and irregularity and to continue to improve their managerial controls.	An action plan was agreed with Audit Scotland as part of their 2009/10 and 2010/11 follow-up reports on the SAAS operating controls. This action plan will be implemented by the agreed dates by the appropriate responsible officers.	Chief Executive	Per the action plan