

The Accounts Commission for Scotland's annual statement on efficiency, effectiveness and economy for 2010/11

The Public Services Reform (Scotland) Act 2010, section 32(1)(b) requires listed public bodies to publish a statement in relation to efficiency, effectiveness and economy as soon as possible after the end of the financial year.

The following statement sets out the steps that the Accounts Commission has taken in 2010/11 to improve its efficiency, effectiveness and economy in the exercise of its functions. Further information on this and our audit work is contained in our annual report 2010/11 which is on our website at www.audit-scotland.gov.uk/about/ac/docs.php

Introduction

The Accounts Commission is the public's independent watchdog which, through the audit process, requires local government bodies in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission holds local authorities to account and helps them to improve by: securing the external audits, including the audit of Best Value and Community Planning; following up issues of concern identified through the audits to ensure satisfactory resolutions; carrying out or promoting national performance audits to improve economy, efficiency and effectiveness in local government; and issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Accounts Commission operates independently of local authorities and of the Scottish Government, and meets and reports in public.

Efficiency, effectiveness and economy improvements during 2010/11

In autumn 2010 the Commission approved an approach to reducing audit fees that contributes to Audit Scotland's four-year financial strategy to reduce significantly the cost of audit. Overall, working together, the Commission, the Auditor General and Audit Scotland are aiming to reduce the cost of audit to public bodies by at least 20 per cent over the four years to 2014/15. This year there was a 5.5 per cent real terms reduction in fees to public bodies compared with 2009/10. Further details on the budget strategy are provided in the Audit Scotland annual report.

Wherever possible the Commission has focused its programme of work on the reports and subjects that will be most helpful to local authorities as they deal with reducing budgets and other pressures. We have developed a revised approach to Best Value audit that has resulted in significant streamlining of the process and a lower-cost audit. We have also facilitated the co-ordination of scrutiny of local government by various public bodies and have established with them the shared risk assessment process that reduces duplication and overlap.

Along with our local government scrutiny partners, the Commission now has a duty to co-operate in order to improve the exercise of scrutiny functions. Over the past three years the Commission supported by Audit Scotland has, with the other scrutiny and inspection bodies, developed an even more risk-based, proportionate and co-ordinated approach to scrutiny of local government.

This year much of the work to streamline scrutiny came to fruition with the publication in July of 32 local Assurance and Improvement Plans and a National Scrutiny Plan for Local Government. These documents demonstrate for the first time the shared assessment of risks and the co-ordination of proposed scrutiny responses across the main audit and inspection agencies working in local authorities. In addition to this co-ordination work, many

scrutiny bodies have been working to streamline their own approaches to audit and inspection.

By co-ordinating work and focusing on the key issues at each council, we have cut the corporate level scrutiny time spent in councils by 36 per cent compared with 2008. Visits and inspections are generally quicker, more focussed, and involve fewer inspectors. The scrutiny activity within each council is more proportionate and risk-based than in the past.

The Commission also has a duty to improve user focus in the exercise of its scrutiny functions. In 2010/11 we have revised our approach to Best Value audit reports, working with Consumer Focus Scotland to agree new wording for judgements, and a new style of report and summary reports, that help make our reports more user-friendly. We also now meet in public, and publish on our website agenda papers and other information about how the Commission operates. We will build on this progress in 2011/12.