



Supporting improvement in local government

Accounts Commission  
**Annual Report 2007/08**

## The Accounts Commission

The Accounts Commission is a statutory, independent body which, through the audit process, assists local authorities in Scotland to achieve the highest standard of financial stewardship and the economic, efficient and effective use of their resources.

The Commission has four main responsibilities:

- Securing the external audit, including the audit of Best Value and Community Planning.
- Following up issues of concern identified through the audit, to ensure satisfactory resolutions.
- Carrying out national performance studies to improve economy, efficiency and effectiveness in local government.
- Issuing an annual direction to local authorities, which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 41 joint boards (including police and fire and rescue services). Local authorities spend over £18.9 billion of public funds a year.



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# Introduction

“Councils are facing and addressing significant challenges.”

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The past 12 months has seen a period of significant change for local authorities and their partners:

- The introduction of Single Outcome Agreements under the COSLA/ Scottish Government concordat.
- The Scottish Government’s response to the Crerar report on the external scrutiny of public services in Scotland which signals a commitment to streamlining scrutiny of local government services with Best Value as a key organising principle.
- The political changes brought about through the 2007 parliamentary elections which have led to high levels of turnover of elected members and changes in political balance in many Scottish councils.

We have taken great care to conduct our business in a way that takes account of how these factors affect local government, and the complex challenges they can create for council members and their staff.

Our annual overview report found that, overall, local government in Scotland continues to improve. Councils are facing and addressing significant challenges and we particularly welcomed increased recycling, higher council tax collection rates and the general picture of sound financial reporting.

However, there are continuing pressures on resources.

The drive for continuous improvement in services continues and the Best Value audit process – whereby all councils are audited on a rolling basis – is now a key part of this.

At a time when there is an emphasis on coordinated scrutiny and on reducing the scrutiny burden, the Accounts Commission is already able to demonstrate its commitment to this way of working. In areas where we have a shared interest with the Auditor General for Scotland we publish joint reports on topics of significance at a national and local level. In the past year these included a report on the state of school buildings, an examination of the way calls to the police are handled, the extent to which our waste is being managed sustainably and a review of how the free personal and nursing care policy has been implemented.

We also continue to publish reports on issues facing individual councils, such as our findings on the handling of the redundancy of the chief executive at East Lothian Council.

As part of our wider commitment to democratic scrutiny, I have given evidence to two committees of the Scottish Parliament – on our police call management report to the Finance Committee and on our overview report to the Audit Committee.

“We commissioned an independent review of the Best Value audit process for councils. The review was an important milestone for the Commission. It concluded that the Best Value audit process is well established, credible and has been effective in contributing to improvement.”

During the year, the Commission itself has seen some important changes.

Alastair MacNish retired in September 2007, after serving for six years as chair of the Commission. I would like on behalf of the Commission to thank Alastair for his invaluable contribution to our work. This included overseeing the introduction of the Best Value regime into local authorities. Other changes saw Mahendra Raj leave and Michael Docherty, Adrienne Kelbie and James King join the Commission. Bill Magee retired from the position of Secretary to the Commission after many years of excellent advice and service, and Catherine Coull was appointed as Secretary.

We commissioned an independent review of the Best Value audit process for councils. The review was an important milestone for the Commission. It concluded that the Best Value audit process is well established, credible and has been effective in contributing to improvement. We welcomed the recognition that councils, in the main, have found it a challenging and useful process. Importantly, the report also identified a series of challenges for improving the audit in the future:

- The need for a stronger outcome focus from reports.
- An increased emphasis on self assessment.

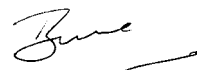
- The need for a more proportionate and flexible audit approach.
- An increased emphasis on community leadership.
- Better use of benchmarks and existing good practice.

In response to this, the Commission has carried out a programme of meetings with councils and other key bodies such as COSLA, SOLACE and the Scottish Government to discuss these areas. The Commission is currently considering a Best Value improvement plan to take this forward and this will also be the subject of consultation.

The Scottish Government's response to the Crerar report identified the Accounts Commission as having a key role in helping to take forward some of Crerar's recommendations, and we have now been invited to do so by the Cabinet Secretary. The Commission is currently developing a plan for achieving the more streamlined scrutiny envisaged by Crerar and the Scottish Government.

This is our first annual report since I was appointed chair of the Commission in November 2007. We have a challenging agenda ahead of us. I look forward to working closely with Commission colleagues, Audit Scotland, local government and partners in the course of the next few years.

**John Baillie**  
Chair  
The Accounts  
Commission




# What we do

“The Commission is responsible for the audit of all local authorities and associated bodies.”

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The Accounts Commission was established in 1975 to secure the audit of Scottish local government and to consider reports arising from that audit. The Commission's original functions have developed and its responsibilities are now:

- to secure the audit of all accounts of local authorities and associated bodies either by employed staff of Audit Scotland or by firms of accountants
- to secure the audit of the performance by local authorities of their Best Value and Community Planning duties
- to consider reports made by the Controller of Audit, to investigate all matters raised and to conduct hearings where appropriate
- to undertake or promote Best Value studies in local authorities
- to give directions to local authorities on performance information
- to make recommendations to Scottish ministers and to local authorities, and to impose sanctions on individual officers and members responsible for illegality
- to help advise Scottish ministers on local authority accounting matters.

# 73

audits completed in 2007/08 on the 2006/07 financial year.

# 32

Councils

# 6

Police Boards

# 6

Fire Boards

# 7

Regional Transport Partnerships

# 8

Valuation Joint Boards

# 14

Others

# Where we fit in

“The Commission, together with the Auditor General for Scotland, is supported in its work by Audit Scotland which was set up to provide services to both.”

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There are 12 members of the Accounts Commission who are appointed by Scottish ministers following a public appointments process. The Commission operates independently of local authorities and of the Scottish Government and reports in public.

The Commission is responsible for the audit of all local authorities and associated bodies (such as fire and police joint boards). It also supports improvement in local government and seeks evidence that councils are

achieving best value. Each year, the Commission publishes information on how councils are performing against a number of indicators, which allows elected members and the public to compare performance within and across councils. The Commission can make recommendations and reports to Scottish ministers. The Commission also has powers to take action against councillors and council officials if they break the law or if their negligence or misconduct leads to money being lost.

The Commission, together with the Auditor General for Scotland, is supported in its work by Audit Scotland which was set up to provide services to both. The performance of Audit Scotland is reported separately in its annual report, which can be found at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



# The Commission

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(from left to right)

**John Baillie (chair)**

Appointed: November 2007

Term ends: October 2010

Chair of Audit Scotland Board. Member of the Reporting Panel of the Competition Commission. Former partner in a big four accountancy firm. Visiting Professor of Accountancy at Glasgow University.

**Isabelle Low (deputy chair)**

Appointed: October 2001

Term ends: September 2009

Former senior civil servant. Former member of the State Hospitals Board for Scotland. Currently a member of the Scottish Consumer Council. Member of the Statistics Commission. Member of the Audit Scotland Board and chair of its Audit Committee.

**Alan Alexander**

Appointed: October 2002

Term ends: September 2008

Emeritus Professor of Local and Public Management, Strathclyde Business School. Former chair of Scottish Water. Member of Economic and Social Research Council and chair, Postwatch Scotland. Non-executive chair, Distance Lab Ltd.

**Owen Clarke CBE**

Appointed: September 2003

Term ends: September 2009

Former head of Inland Revenue in Scotland/North of England and former chair of Scottish Ambulance Service. Currently holds two non-executive posts within the Scottish Government.

**Jean Couper CBE**

Appointed: October 2002

Term ends: September 2008

Director of K3 Consultants Ltd. Former managing consultant with Price Waterhouse and Ernst & Young. Former chair of Scottish Legal Aid Board, Vice chair of Health Education Board and past member of the Police Advisory Board. Deputy chair of the Ombudsman Service Ltd.

**Ann Faulds**

Appointed: September 2003

Term ends: September 2009

Partner in Dundas and Wilson CS LLP, Solicitors. Former solicitor in Central Regional Council.

The chair and members of the Commission are appointed by Scottish ministers following an open recruitment process. They are appointed for a period of three years, normally renewable for a further three-year period. The members of the Commission during 2007/08 were as follows:



**Keith Geddes**

Appointed: October 2002

Term ends: September 2008

Policy director for a consultancy firm. Former leader of Edinburgh and Lothian Regional Councils and former President of COSLA. Deputy chair of Scottish Natural Heritage. Chair Greenspace Scotland.

**Iain A Robertson CBE**

Appointed: September 2003

Term ends: September 2010

Chair of Scottish Legal Aid Board, Independent member of the BERR Legal Services Board. Chair of Coal Liabilities Strategy Board. Former group strategy director of Anglian Water Group and chief executive of Highlands and Islands Enterprise.

**Douglas Sinclair**

Appointed: February 2007

Term ends: September 2009

Former chief executive of Fife Council and chief executive of COSLA. Chair of the Scottish Consumer Council.

**James King**

Appointed: November 2007

Term ends: October 2010

Member of the Management Board of Glasgow's Metropolitan College. Former financial director for the Royal Mail in Scotland and Northern Ireland. Previously worked with Glasgow Council and later with Falkirk Council in the posts of chief internal auditor then assistant finance director. Non-executive director of the NHS National Services Scotland Board.

**Catherine Coull**

Secretary to both the Accounts Commission and the Audit Scotland Board, and is also responsible for legal and procedural advice.

**Michael Docherty (not shown in line-up)**

Appointed: July 2007

Term ends: June 2010

Former chief executive of South Lanarkshire Council with over 20 years experience of senior management in local government.

**Adrienne Kelbie (not shown in line-up)**

Appointed: November 2007

Term ends: October 2010

Director of Operations for the Big Lottery Fund. Previously the Scotland director for Community Fund. Also held the position of member of the Scottish Consumer Council.

**Two members left the Commission during the year:**

**Alastair MacNish (chair)**

**Appointed: September 2001 to September 2007**

Chair of Audit Scotland Board. Former chief executive of South Lanarkshire Council. Previously held a number of posts in Strathclyde Regional Council including deputy director of Social Work. Served as chair of the Leadership Advisory Panel.

**Mahendra Raj**

**Appointed: October 2001 to September 2007**

Professor of Finance at Aberdeen Business School. Editor of Studies in Economics and Finance. Member of the reporting panel of the Competition Commission for UK. Member of the Scottish Legal Aid Board. Former consultant to the Commonwealth.

**Retired:**

**Bill Magee**

From the position of Secretary to the Commission in 2007, after more than 12 years of excellent advice and service.

There is a register of Accounts Commission members' interests which is open for inspection in the offices of Audit Scotland and which can be accessed on the website at <http://www.audit-scotland.gov.uk/about/ac/members.php>



# Financial stewardship

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Local government in Scotland continues to improve. Councils are facing and addressing significant challenges. We particularly welcome increased recycling, higher council tax collection rates and the general picture of sound financial reporting. The drive, however, for continuous improvement in services continues and there are continuing pressures on resources. The Commission will continue to provide assurance to ministers and the public on the way public money is used in councils.

The modernised audit approach in local government is now fully embedded. It focuses on the key priorities and risks in local authorities, ensuring that audit activity is targeted at the issues that really matter to officers, elected members and the public. In November 2007, Audit Scotland published the Priorities and Risks Framework (PRF), which is a tool for auditors to use when planning the audits of local government bodies in Scotland on behalf of the Commission (see box).

The Controller of Audit summarised the outcome of the local authority audits for 2006/07 in the overview report published in February 2008. The report provides a useful summary of the main issues in local government and is used to inform our future work programme.

The Commission made and published findings on the overview report, recognising the general improvement achieved. However, councils will need to increase their focus on key areas to meet significant challenges ahead.

For example, the report demonstrated that:

- scrutiny was more embedded than before. However, councils will have to keep the improvements in decision-making and scrutiny under review to make sure they are effective
- there was a further improvement in council tax collection with 94 per cent of the amount due for 2006/07 being collected
- waste which is recycled and composted, increased from 24.7 per cent to over 28 per cent during 2006/07. Sustainable waste management was the subject of a major report by the Commission and the Auditor General.

However, the Commission also recognised that the overall context for councils is one of continuing change and pressure on resources and if the councils are to meet the challenges ahead, they have to increase their focus on a number of key areas including:

- supporting and developing leadership skills
- demonstrating the net benefits of community planning
- taking a more strategic approach to resources, which informs and integrates finance, workforce and asset planning.

The Commission supports the findings in the Crerar report on scrutiny and audit and inspection. This report highlights the need for more streamlined scrutiny based on robust self-assessment and we welcome our role in taking this forward in local government.

Feedback from local authorities continues to be positive on the overall quality of service and positive effect of the audit. The independent 2006/07 local authority audit quality survey showed that 97 per cent of respondents agreed the auditor provided a high quality of service and the audit made or will make a positive impact on finances, standards of governance, internal control and service delivery.

### Priorities and Risks Framework: 2007/08 National Audit Planning Tool for Local Government

November 2007

The Priorities and Risks Framework (PRF) is a tool for auditors to use when planning the audits of local government bodies in Scotland. It is an annual document, which summarises the key national priorities and risks which face councils in the coming year. The PRF provides auditors with a resource to develop their understanding of current national issues as they relate to their client. Auditors will use it in conjunction with an evaluation of any other local risk areas to establish the key issues facing an individual client.

Commission target	Performance
<p>A well-planned, well-delivered programme of reports on individual audited bodies</p>	<p>There were 73 audits of local authorities accounts this year. All the audit certificates (100%) were signed by the Commission's deadline of 30 September (98.5% in 2006/07 and 95% in 2005/06). However, only 66 of the 73 (90%) annual audit reports were received by the reporting deadline of 31 October (85% in 2006/07 and 95% in 2005/06).</p> <p>The accounts of one council were qualified in 2007/08 (two in 2006/07). The accounts of Shetland Islands Council were qualified because the council did not comply with group accounting requirements. Qualifications are important and the council is working to ensure that the qualification is avoided in future.</p>
<p>Overview report highlights the strengths and weaknesses in internal controls and governance; and the material risks in comparison with previous years</p>	<p>The overview report for 2006/07 was published in February 2008. The report shows that local government in Scotland continues to face and address significant challenges. However, the Commission recognises the general improvement which has been achieved, including:</p> <ul style="list-style-type: none"> <li>• further improvements in some service performance, including council tax collection and waste recycling</li> <li>• a general picture of sound financial accounting and reporting, with accounts and audits completed on time</li> <li>• scrutiny more embedded than before.</li> </ul> <p>The report notes the challenges ahead and the need to increase focus on key areas such as:</p> <ul style="list-style-type: none"> <li>• demonstrating improved services for customers and citizens</li> <li>• taking a more strategic approach to resources, which informs and integrates finance, workforce and asset planning.</li> </ul>
<p>Audit quality reviewed to secure best value, to include more time-efficient methods and approaches to work</p>	<p>A local government audit service quality survey was conducted on the 2006/07 audits. There was a high response rate of 80% of respondents. The survey results reflect that 97% of local government consider that their auditor provided a high-quality audit service and that the audit process has a positive effect. The survey also showed that more needed to be done in communication and timing of meetings with auditors and in completing and reporting audit work more promptly. Where responses show scope for improvement, auditors have been directed to identify the actions to be taken to address improvement.</p>

# Best Value

When the audit team has completed its Best Value audit work the Controller of Audit makes a statutory report describing the outcome and her conclusions. The Commission considers each report and makes its findings, which are published. The council must meet to consider the report and findings and make a formal response, usually including an improvement plan.

During 2007/08 the Accounts Commission made findings on two Best Value audits and two follow-up audits. In addition, the Commission decided to hold a public hearing due to the concerns expressed by the Controller of Audit in Aberdeen City Council's Best Value audit report. Following the hearing the Commission can make findings, which may include recommendations to the council and/or Scottish ministers. All councils will have had a Best Value audit by April 2009.

Below is a summary of the reports published in 2007/08 on the audit of Best Value and Community Planning.

## **West Dunbartonshire Council: progress report**

January 2008

In this follow-up study to the previous year's Best Value report, the Accounts Commission acknowledged the council's increased commitment to continuous improvement and the progress made by the council within a fairly short timescale.

## **East Lothian Council**

October 2007

East Lothian Council made limited progress in establishing Best Value. The Accounts Commission findings indicated that the council had a very good opportunity to introduce change to address the major issues it faced.

## **Clackmannanshire Council**

September 2007

This report found Clackmannanshire Council faced a number of significant challenges specific to its circumstances.

## **The Moray Council: progress report**

August 2007

In this follow-up report the Accounts Commission acknowledged improvement in the council's corporate leadership and strategic direction, but said that there were still areas of concern.

## **Independent review of the Best Value audit process**

This report was commissioned by the Accounts Commission as part of its wider review of the progress of the Best Value and Community Planning council audits. The study was undertaken by a team from Cardiff and Edinburgh Universities and was based on consultation with stakeholders. It was published in July 2007.

Following the publication of the independent review, the Accounts Commission has been developing its thinking on the development of the audit of Best Value and Community Planning. The Commission has been consulting with councils and other key stakeholders such as COSLA, SOLACE, Scottish Government and the Scottish Consumer Council. The Commission has committed to further consultation on the emerging approach later in 2008.

“most interviewees thought that the audit reports on their council had been fair.”

Commission target	Performance
Best Value audit programme delivered on time	<p>Two Best Value audits, and two follow-up audits were presented to the Commission and published. In addition, the Controller of Audit published in March 2008 the Aberdeen City Council Best Value report. In light of the concerns in the Controller of Audits report, the Commission decided to hold a public hearing in May 2008 and may publish its findings thereafter.</p> <p>Five full Best Value reports will be published early in 2008/09 and the remaining six full audits are planned for completion by April 2009.</p>
Findings published within eight weeks of receipt of report	<p>All findings were published within eight weeks of receipt of the report. The average time from receipt to publication was 4.5 weeks.</p>
Stakeholders recognise accuracy and value of outputs and role of the Accounts Commission	<p>In July 2007, the Accounts Commission published the findings of the independent review of the Best Value audit, which concluded that the Best Value audit approach is established, has gained credibility and in broad terms has been effective.</p> <p>In addition, the review reported that most interviewees thought that the audit reports on their council had been fair.</p> <p>The report showed that 78% of respondents believed that their council's relationship with the Accounts Commission was good. Over 80% believed that the debriefing meeting with the Commission at the end of the audit process had been very useful and almost three quarters felt that communications with the Commission were effective.</p>
Audits result in well-focused improvement plans likely to deliver progress	<p>All Best Value audits completed in 2007/08 have resulted in improvement plans being submitted to the Accounts Commission. However, the independent review reported mixed views about the value of improvement plans and the quality and range of external support for improvement available in Scotland.</p> <p>Local audit reports published in October 2007 demonstrate that councils are continuing to make progress in implementing their Best Value improvement plans, although the pace and scale of improvement varies. Plans would benefit from clearer, more detailed objectives and targets.</p>

Commission target	Performance
<p>Specific improvements achieved in councils</p>	<p>The overview report for local authorities contains a number of examples of improvements in governance, use of resources and services. In our Best Value reports we reported that Moray Council's corporate leadership and strategic direction had improved, and in a follow-up report the Commission acknowledged West Dunbartonshire Council's increased commitment to continuous improvement and the progress made by the council within a fairly short timescale.</p> <p>All Best Value findings will be followed up in the next round of Best Value audits.</p>
<p>Overall impact of Best Value audits</p>	<p>The Best Value audit has reinforced the value of external scrutiny. The focus on councils' corporate activities is highly valued and the audits have had a significant effect on local authority corporate performance, on council leaders and in producing action to improve poorly performing councils.</p> <p>The independent review found that many interviewees believed that Best Value audits had had a positive effect in their council. However, the review also found that the direct effect on service users and citizens has been limited thus far.</p>

### Development of Best Value

The Accounts Commission is in the process of developing its future approach to the audit of Best Value and Community Planning. In doing so it is building on a range of influences:

- The independent review of the Best Value audit process.
- Feedback from Accounts Commission consultation events with councils, COSLA, SOLACE and other stakeholders.
- The Scottish Government's response to the Crerar scrutiny review.

Based on the outcomes of these activities, the Accounts Commission is working on its Improvement Plan for the development of Best Value 2. The Best Value Improvement Plan uses as its starting point the key principles identified by the Accounts Commission to underpin the design of Best Value Round 2 (see page opposite).

## The key principles for the next phase of the Best Value audits:

- A stronger focus on outcomes and community leadership, as well as corporate performance.
- Reflecting the experience of citizens and service users.
- Demonstrating community leadership.
- More proportionate and risk-based audit approach, founded on self-assessment.
- Improved audit reporting and transparency of process.
- Improved sharing of good practice.



# Performance audit

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The Accounts Commission has the power to conduct studies and issue reports on performance in local government. Many of those reports are produced jointly with the Auditor General, which reflects the changing nature of public service delivery.

In addition to planned studies, reports are also produced in response to events. For example the Controller of Audit conducted an investigation under section 102(1) of the Local Government (Scotland) Act 1973, on the voluntary redundancy of the chief executive of East Lothian Council. A statutory report was presented to the Accounts Commission, which found that the council's processes fell a long way short of the standards expected of public bodies.

## Accounts Commission reports

### Overview of the local authority audits 2007

February 2008

In this report, the Accounts Commission recognised the improvement achieved by local government in Scotland. It highlighted progress in services and the need for an increased focus on key areas to meet the challenges ahead.

There are two 2007/08 Accounts Commission studies still in progress which will be reported at a later date:

- **Asset management in councils**
  - The aim of the study is to evaluate the extent to which councils manage their assets to ensure effective service provision and achieve value for money.
- **Equalities** – The aim of the study is to examine how councils have implemented their race equality duties. An important aspect of the study will be to consider the experience of service users and citizens from ethnic minority communities.

## Statutory report

### East Lothian Council: Departmental reorganisation and voluntary redundancy of the chief executive

June 2007

This report found that processes fell a long way short of the standards expected of public bodies. The Accounts Commission emphasised the wider lessons to be learned.

**Joint reports with the Auditor General for Scotland**

**Improving the school estate**

March 2008  
 Billions of pounds have been spent over the past decade on over 200 new schools and many school improvements. The Scottish Government and councils need to draw up detailed plans to ensure all the remaining schools are fit for 21st century education.

**A review of free personal and nursing care**

February 2008  
 Free personal and nursing care needs to be better planned, managed and funded for it to continue to benefit older people in the future. Demand will grow with the projected increase in the older population in Scotland.

**Police call management: An initial review**

September 2007  
 Scotland's police receive almost 16,000 calls a day and people are generally satisfied with the service when they call 999 or a non-emergency number. However, forces cannot show whether new systems they have installed are delivering value for money.

**Sustainable waste management**

September 2007  
 There has been a huge increase in the number of recycling schemes, services and facilities. But to meet EU Landfill Directive and Scottish Government targets, councils need to increase their recycling rates and achieve rapid reductions in the volumes of waste going to landfill.

**Dealing with offending by young people: performance update**

August 2007  
 Increased funding and a stronger focus on youth justice services over recent years has delivered some positive changes. However, it is still not possible to demonstrate clearly that resources provide value for money and are being used effectively.

**Managing long-term conditions**

August 2007  
 The NHS in Scotland can improve the care it gives to people with long-term illnesses by better targeting resources, further developing community-based services and driving a national strategy.

Commission target	Performance
Improved publicity for outputs in current study programme	<p>Eight reports were published during 2007/08 and they all gained significant media coverage.</p> <p>Podcasts (audio files), provide an overview of the reports and help improve accessibility for members of the public who require additional support. Since September 2007, when the new website was launched, over 27,000 Accounts Commission reports and podcasts were downloaded.</p>
Impact of previous study programme assessed and lessons learned	<p>We have applied a principle of continuous improvement by offering Audit Scotland regular comments on the effectiveness of the study programme when considering individual reports. We have also improved the way in which we pull together common messages and trends across the various study projects and present details of these in the overview report.</p>
Improvements in impact from future study programme	<p>We have worked with Audit Scotland to improve the way in which the programme of national studies is developed and to ensure that the Commission engages early in the process and provides clear strategic direction. In addition Audit Scotland has been developing a framework for monitoring and assessing the impact of both individual studies and the programme as a whole. Details will be submitted to the Commission early in the 2008/09 financial year.</p>

### Case study

#### Police call management

In September 2007, the Accounts Commission published a joint report with the Auditor General looking at how police manage calls from the public – the first major study of a police service since 1999.

The police received about 16,000 calls per day from the public in 2006/07 and £45 million was spent managing these calls. The report looked at the recent changes in how Scottish police forces manage calls from the public and examined performance, costs, and the experiences of callers.

The study found that, overall, people are satisfied with the service when they call the police, more non-emergency calls are being answered than in the past, and more calls are being resolved without an officer having to visit.

However, the report also found that:

- police authorities and the then Scottish Executive had limited involvement when the new call management arrangements were being planned and implemented
- forces spend between two and five per cent of their revenue expenditure on call management, but measures relating to value for money and cost-effectiveness are undeveloped
- the lack of robust comparative performance information makes it difficult for police authorities and the Scottish Government to scrutinise effectively police performance in managing calls
- there is wide variation in how forces manage calls from the public, with different structures, systems and recording practices

and little agreement on best practice; this made it difficult to conclude whether calls are being managed efficiently and effectively or whether the new arrangements are delivering the anticipated benefits.

The report highlighted a lack of clarity around the current tripartite governance arrangements for Scottish policing.

The chair of the Accounts Commission and the Auditor General used these findings in their evidence to the Scottish Parliament Justice Committee inquiry into the effective use of police resources. The Convener of the Justice Committee acknowledged the value the Committee placed on the evidence from the Accounts Commission and Auditor General, and the Committee's report included a number of recommendations in relation to governance and accountability in Scottish policing based on this evidence.

Following publication, presentations have been given to police authorities on the key issues highlighted in the report, the Association of Chief Police Officers in Scotland (ACPOS) has established a high-level working group to take forward the report's recommendations and the Scottish Government Director General for Justice and Communities has given evidence to the Audit Committee on the findings.

Progress on implementing the report's recommendations by individual police forces will be tracked by our auditors, and a further national study is planned in three or four years time.

# Performance information

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The Commission carries out its responsibility for performance information in local government through an annual Direction. Since December 2005, the Commission has changed the way it reports on performance against the statutory performance indicators (SPIs). The SPI Data Compendium and Council Profiles are now published on Audit Scotland's website by December each year, two months earlier than before, thereby improving the service to those who use the data for assessing performance and benchmarking progress.

The Compendium provides all the SPI data for Scotland's councils, fire and rescue services and police forces. The Council Profiles give individual profile reports on Scotland's councils, with details of their performance against a range of measures taken from the SPIs, and reports comparing councils on a range of key services.

In recent years commentary on a number of key findings has been integrated from the Compendium into the local authority overview report. Findings from the SPIs are also used in our Best Value audits and national studies.

The Accounts Commission is currently considering the future role of SPIs within the context of the concordat between the Government and COSLA, and the development of Single Outcome Agreements between the government and individual councils. We expect these deliberations to inform the 2008 Direction for 2009/10.

The SPI Data Compendium and Council Profiles can be found at <http://www.audit-scotland.gov.uk/performance/>

“SPI data and Council Profiles are now published on Audit Scotland’s website earlier each year, thereby improving our service to stakeholders and councils.”

Commission target	Performance
Improved council performance overall (SPI)	<p>PI Direction and PI Guide published November 2007.</p> <p>Of the 51 measures in the Council Profiles that allow comparison between 2004/05 and 2006/07, 21 show an overall improvement of at least five per cent and ten show a deterioration of at least five per cent.</p> <p>The Commission noted improved service performance in recycling and council tax collection rates.</p>
Improved and fairer publicity for outputs	<p>As well as publishing the SPI data on Audit Scotland’s website, the Commission seeks to provide a broadly rounded picture of council performance in relevant reports where the SPIs are considered in a fuller context. Councils’ service performance, including various SPIs, was highlighted in press coverage of Best Value reports and the <i>Overview of local authority audits</i>.</p>
Reduced burden on councils	<p>For 2007/08, the Commission retained the same SPIs for council services in support of the then Scottish Executive-led joint project considering performance management in local authorities, while amending the Police SPIs to reflect the developing Scottish Policing Performance Framework.</p> <p>The 2007 Direction for 2008/09 included a number of changed or new indicators reflecting development in national objectives and performance frameworks for services including:</p> <ul style="list-style-type: none"> <li>• Community care</li> <li>• Benefits administration</li> <li>• Housing and homelessness</li> <li>• Police.</li> </ul>
Improved accessibility for stakeholders	<p>SPI data and Council Profiles are published on Audit Scotland’s website earlier each year. SPIs are also reported in Best Value audit reports, relevant study reports and the local authority overview report, ensuring that they are seen in a wider context.</p>

# Governance

Audit Scotland provides services to the Accounts Commission and the Auditor General, and the Commission receives regular reports on Audit Scotland’s performance. Commission meetings are held monthly, with additional meetings to consider Best Value reports as required. In addition, the Financial Audit and Assurance Committee and Performance Audit Committee meet three to four times per year to consider specific aspects of the Commission’s functions.

Accounts Commission members are also closely involved in performance studies and in the follow-up of Best Value audits. Each study is sponsored by two Commission members who also attend the Best Value follow-up meetings with councils, along with the Secretary and either the chair or deputy chair.

The chair of the Accounts Commission is also the chair of the Audit Scotland Board and the deputy chair of the Commission is a board member of

Audit Scotland and chair of the Audit Committee. The performance of Audit Scotland is reported separately in its annual report which is available at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

The Controller of Audit has the statutory function of reporting to the Accounts Commission on the outcome of the audits, including Best Value and Community Planning.

### Accounts Commission corporate and governance reports

#### Quick Guide to Audit Scotland, the Auditor General and the Accounts Commission

February 2008

An updated introduction to our role in public audit and the relationship between these three bodies.

### Disability Equality – Annual Report

December 2007

This report said that progress had been made against our action plan, and through our key priority of reviewing the Best Value audit process we seek to make further progress next year on our duty to promote equality.

### Accounts Commission Gender Equality Scheme

June 2007

An action plan and a prioritisation of our policies and activities.

### Accounts Commission Race Equality Scheme

June 2007

A review of the previous scheme’s action plan, an updated action plan and a prioritisation of our policies and activities.

### Accounts Commission Annual Report 2006/07

June 2007

Commission target	Performance
Audit Scotland held to account for delivery	<p>Audit Scotland is held to account through the Audit Scotland Board; the Commission chair and deputy chair are members of the Audit Scotland Board, Audit Committee and Remuneration Committee.</p> <p>Audit Scotland’s quarterly performance reports are submitted in accordance with the published forward plan and considered by the Accounts Commission. Audit Scotland’s overall performance is reported publicly in its annual report which can be found at <a href="http://www.audit-scotland.gov.uk">www.audit-scotland.gov.uk</a></p>
Members have performance assessed	This continues on a basis that is approximately annual.
Improvement in cohesion and effectiveness	Reviewed at an annual strategy seminar and through the members’ performance appraisals.



Accounts Commission  
**Annual Report 2007/08**

Supporting improvement in local government

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