

Operational group workplan

Local government scrutiny
coordination



 ACCOUNTS COMMISSION

April 2009



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.

Introduction

Following the publication of the Crerar report in September 2007, the Scottish Government's response stated its aim of establishing a simplified and coherent approach to delivering local government scrutiny. A key aspect of this agenda is to better coordinate and streamline scrutiny and achieve greater effectiveness, while at the same time protecting the independence of scrutiny bodies. To address these aims, the Scottish Government (SG) has put in place a number of initiatives including:

- establishing the Scrutiny Improvement Programme Board to oversee the SG's response
- setting up five fixed-term thematic action groups (Reducing Burdens Action Group, User Focus, Complaints Handling, Accountability and governance and policy and Approaches)
- announcing restructuring plans for scrutiny bodies in November 2008.

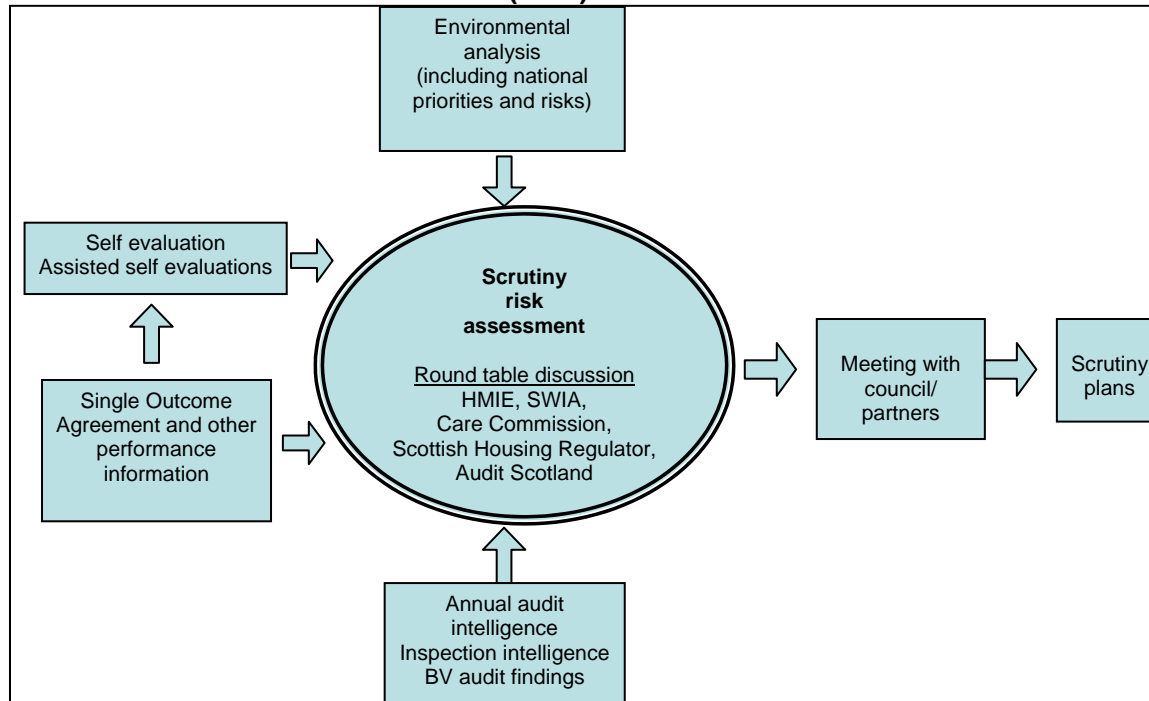
In addition, in February 2008, the Accounts Commission was asked to take on the transitional gatekeeping role in respect of the scrutiny of local government. The local government scrutiny coordination strategic group was established to set priorities and oversee development activity. The following key priorities were subsequently agreed:

- Improving the planning and scheduling of scrutiny activity.
- Developing a single corporate assessment (CA).
- Implementing a shared risk assessment (SRA) framework.

The strategic group established this operational group to carry out the necessary detailed work in respect of these priorities. The group comprises representatives from Her Majesty's Inspectorate of Education (HMIE), Social Work Inspection Agency (SWIA), NHS Quality Improvement Scotland (NHS QIS), Care Commission, Scottish Housing Regulator (SHR), Convention of Scottish Local Authorities (COSLA) and Audit Scotland.

The strategic and operational groups have accepted the broad framework for SRA proposed by the Reducing Burdens Action Group and the Accounts Commission as set out in Exhibit 1 overleaf. In taking forward development work, the operational group will consider whether refinements to the model are required to reflect the rapidly changing context within which we are operating as well as developing the supporting detailed guidance and approaches necessary for implementation.

Exhibit 1: Shared Risk Assessment (SRA) Framework



Source: RBAG/Accounts Commission

The operational group's initial focus has been to establish a common understanding of, and commitment to, the achievement of the strategic group's priorities while creating a firm basis from which the necessary longer-term changes can take place. Early work has included:

- preparing commentary on how scrutiny has evolved in recent years
- collecting and analysing information about the level of scrutiny activity in local government since 2004 to provide a baseline against which improvement can be measured

- coordinating a schedule of all planned scrutiny activity to 2009, providing the opportunity to better streamline and coordinate scrutiny activity between now and April 2009
- identifying the scope for immediate improvement in the scheduling of scrutiny activity at five councils. To achieve this round table meetings have been held for each council to better coordinate the planned activity. These meetings have also provided useful learning in respect of the development of a SRA and improving the planning and scheduling of our work
- identifying potential pilot/pathfinder sites for the testing of new approaches
- reviewing the need for legislation to enable the delivery of the agreed priorities.

The operational group has set out this work plan to facilitate and maintain its focus on the delivery of the priority developments, assist in the allocation of appropriately skilled resources and provide a basis from which future monitoring and progress reports can be developed. The group has also agreed to delegate responsibility for the detailed work on specific development themes such as the SRA to a development sub group(s), allowing it to maintain its focus on key decisions affecting underpinning principles and design.

The group has agreed the following key priorities in the period up to April 2009:

- the agreement of a transitional coordinated schedule of scrutiny activity up to the end of 2009
- developing a framework for delivering a SRA of councils for testing through the remainder of 2009
- developing a single CA framework
- developing a communication strategy.

**Operational group
Draft workplan: April 2009**

1. Cross-cutting development themes				
Issue/task	Lead	Timescale	Resourcing	Comments
1.1 Communication strategy	Annette Bruton, HMIE Jon Harris, COSLA	March 2009	Annette Bruton, HMIE Jon Harris, COSLA with support from Audit Scotland	<p>Agree the what? who? when? how? of communicating key decisions and what we are doing at the right time to the right audience(s). Consideration of this as a cross-cutting theme needs to ensure that internal and external stakeholders are clearly identified for all relevant development activity themes and scrutiny bodies, and that appropriate communication modes and frequencies are established. It will also include consideration of:</p> <ul style="list-style-type: none"> • internal and external progress monitoring and reporting • the occasions/issues where strategic group decisions are required • how appropriate types and frequencies of communication will be used to start to embed an understanding of/commitment to the developing shared arrangements and systems/frameworks.
1.2 Establish appropriate pre and post implementation evaluation arrangements for development work alongside longer term arrangements for monitoring impact	Antony Clark, Audit Scotland	<p>SRA development site evaluation September 2009</p> <p>SRA post implementation review July/August 2010</p> <p>Planning and scheduling post</p>	Working with operational group and BVIT	<p>There will be a large amount pathfinder and development site activity in developing the new arrangements. Robust arrangements for evaluating key options and aspects of the approach need to be established. At a suitable point following full implementation a post implementation review is planned.</p> <p>In the longer term it will be necessary for us to be able to monitor and measure the impact of the changes implemented. In order to achieve this it is necessary to:</p>

1. Cross-cutting development themes

Issue/task	Lead	Timescale	Resourcing	Comments
		implementation review May 2011		<ul style="list-style-type: none"> • identify the key planned outputs and outcomes from the development activity in the three main development strands • establish the baseline position in respect of the planned outcomes/outputs • establish appropriate performance monitoring and reporting arrangements.
1.3 Develop appropriate organisational development (OD) strategy	David Cumming, SWIA	March 2009	Operational group with support from Audit Scotland	<p>There are a number of OD issues falling from the implementation of the approach to Best Value 2 - many of these are likely to be common to the operational group's development of a single CA and the SRA. It is also important that proper consideration is given to the change necessary to reflect new ways of working for the future and recent scrutiny restructuring. Key development aspects include:</p> <ul style="list-style-type: none"> • evaluation of opportunities to consolidate OD activity within existing strategies within individual scrutiny bodies • identification of the skills required to address new roles such as planning and leading round tables and coordinating the scheduling of our activity • analysis of whether there are any skills gaps across individual/collective bodies • identification of a range of development opportunities/methods to equip our teams in time for implementation and address any recognised skills gaps • consideration of the merit of joint development sessions

1. Cross-cutting development themes

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				<p>for a specified range of competencies</p> <ul style="list-style-type: none"> • consideration of how feedback will be given to individuals and teams and how this will feed into competency development in the future • designing appropriate tools/forms to facilitate the development activities and feedback arrangements • how stakeholder confidence will be maintained as resources are increasingly targeted using risk assessment.
<p>1.4 Agree common scrutiny terminology</p>	<p>Nikki Bridle, Audit Scotland Antony Clark, Audit Scotland</p>	<p>Up to September 2009</p>	<p>SRA Development Group Single Corporate Assessment Development Group</p>	<p>This activity is a by-product of the need to agree common definitions within most of our development activity priorities. This might not need to be a separate development activity. It could be addressed through the creation of a shared glossary of our terminology and definitions which is generated across all of our development activity. It may also be helpful to councils in developing a better understanding of the relative scale of credit/scope for improvement that exists following their BV audit/inspection.</p>
<p>1.5 Evaluation of potential legislative barriers to streamlined scrutiny</p>	<p>Caroline Gardner, Audit Scotland</p>	<p>ongoing</p>	<p>Operational Group</p>	<p>Initial work indicates that enabling legislation may be necessary. A watching brief is required as restructuring developments are progressed.</p> <p>Work under way to ensure alignment with restructuring and Public Services Reform (PSR) Bill potential legislative change.</p>

2. Developing a single corporate assessment (CA)				
Issue/task	Lead	Timescale	Resourcing	Comments
2.1 Establish rationale for CA	Antony Clark, Audit Scotland	January 2008	Single CA development group	SG response to Crerar accepted recommendation 36 that <i>'the Accounts Commission should work with other scrutiny bodies to develop a corporate performance audit which absorbs other corporate level inspection'</i> .
2.2 Define key purpose of single CA - what? And why?	Antony Clark, Audit Scotland	July 2008	Single CA development group	The principle that BV2 should provide a working framework for a single CA agreed at Strategic Scrutiny Group in July 2008, but at that time it was agreed that further work was needed to develop options.
2.3 Develop single CA model	Antony Clark, Audit Scotland	September 2008	Single CA development group	The BV2 Corporate Assessment Framework approved by Accounts Commission provides a basis for this.
2.4 Identify BV2 pathfinders	Antony Clark, Audit Scotland	By mid March 2009	Single CA development group	These were approved by the Accounts Commission at its 18 March 2009 meeting.
2.5 Map areas of shared interest	Antony Clark, Audit Scotland	By end March	Single CA development group	Initial mapping of key areas of potential overlap has taken place in respect of Inspection of Education Authorities (INEA), CLD, Housing and Homelessness and SWIA Performance Inspections. This has been converted into a briefing paper which has been shared with CA development group (A Clark and M Walker (Audit Scotland), I Ronald and A Delaney (HMIE), Michael Cameron (SHR), Alison

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				Bavidge (Care Commission); David Cumming current SWIA rep).
2.6 Engage BV2 pathfinders	Antony Clark, Audit Scotland	By end March 2009	Single CA development group	Initial contact has been made with all BV2 pathfinder sites. Follow-up meetings to clarify the indicative timing and scope of BV2 pathfinder audit activity (including single CA work) will take place in April.
2.7 Agree scrutiny delivery options linked to single CA	Antony Clark, Audit Scotland	By end April 2009.	Single CA development group	This will form a single substantive agenda item for the initial meeting of the CA development group which will then be followed up by the BV2 pathfinder scoping and joint risk-assessment process (April-July).
2.8 Secure resources for BV2 pathfinders	Antony Clark, Audit Scotland	By end May 2009	Single CA development group	This will require resource planning within all affected local government scrutiny bodies.
2.9 Draft statement of roles and responsibilities re single CA	Antony Clark, Audit Scotland	By end July 2009	Single CA development group	This will be a key aspect of the BV2 pathfinder scoping and joint risk assessment process (April-July) which will deliver joint and coordinated scrutiny fieldwork plans at each pathfinder site.
2.10 Implement models for single CA	Antony Clark, Audit Scotland	August – November 2009	Single CA development group	This will form the basis for the five BV2 pathfinder audits to be undertaken in partnership with local government service inspectorates and regulators.
2.11 Evaluate impact of proposals on existing and future scrutiny delivery models	Antony Clark, Audit Scotland	By end 2009	Single CA development group	This will form a key strand of the BV2 pathfinder evaluation which the Accounts Commission will be commissioning over the spring/summer of 2009.

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2.12 Roll-out agreed single corporate assessment model	Antony Clark, Audit Scotland	From 2010	Single CA development group	This is dependent upon the BV2 pathfinder evaluation, and the more general joint scrutiny transition arrangements.
2.13 Relationship management evaluation	Antony Clark, Audit Scotland	October 2009	Single CA development group	An evaluation of the impact of the development of a single CA on current and future relationship management models across all scrutiny bodies.

3. Develop a shared risk assessment (SRA)

Issue/task	Lead	Timescale	Resourcing	Comments
3.1 Agree a common definition of shared risk across scrutiny bodies	Lesley McGiffen, Audit Scotland	February 2009	SRA development group	It is important that all scrutiny bodies share a common understanding of the key outputs and outcomes desired from the development of a SRA. This development activity includes the need to document a statement of this collective understanding and agree common terminology in respect of the model's core attributes. This activity is inherently linked to the development of a single CA.
3.2 Evaluate possible risk assessment methodology options	Nikki Bridle, Audit Scotland	March 2009	SRA development group	Review each scrutiny body's existing risk assessment arrangements to inform/ contribute to wider option appraisal. This aims to factor in existing positive features and help smooth the transition by minimising the potential disruption if possible/appropriate. Undertake broad analysis and evaluation of potential risk models and risk model attributes.
3.3 Develop a SRA model	Nikki Bridle, Audit Scotland	February/ March 2009- April 2009	SRA development group	Development of the model will need to include: <ul style="list-style-type: none"> • defining and documenting the underpinning risk assessment principles • mapping scrutiny planning cycles to inform the development of a shared risk

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				<p>assessment cycle (purpose, frequency and timing of the shared risk assessment)</p> <ul style="list-style-type: none"> • mapping areas of common risk interest as well as those which are service/sector specific • identification of risk trigger points • identification of the associated proportionate audit/inspection work response to established trigger points • establishing a clear statement of and guidance on the information requirements for the risk assessment process • building on the positive aspects of the evaluation of early round table pilot activity • addressing the improvement areas arising from the round table evaluation • the development of appropriate guidance and protocols • establishing appropriate evaluation arrangements • implementing appropriate model refinements/options.
<p>3.4 Establish the self evaluation inputs to the SRA process performance</p>	<p>Ian Ronald, HMIE</p>	<p>March 2009</p>	<p>SRA Development Group</p>	<p>This development theme is primarily focused on providing clarity for councils about what is required/desired in respect of self evaluation for SRA purposes.</p>

3. Develop a shared risk assessment (SRA)

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3.5 Determine a clear statement of the respective roles and responsibilities of scrutiny bodies and the agreed guiding principles	Nikki Bridle, Audit Scotland and Kerry Walsh, NHS QIS	April 2009	SRA development group	This activity aims to set out clearly and unambiguously the respective roles and responsibilities of each scrutiny body. It also provides an opportunity to consider the need for a joint code of practice.
3.6 Establish appropriate pilot arrangements for the model	Nikki Bridle, Audit Scotland and Kerry Walsh, NHS QIS	March 2009 Pathfinders May-August 2009	SRA development group	This development activity includes the need to: <ul style="list-style-type: none"> • establish pilot site selection criteria • agree the number of pilot sites, the nature of the issues they will test and the likely timescales • selection of pilot sites • initiation of pilot site activity • evaluation of pilot activity • implementation of appropriate model refinements/options.

4. Improved planning and scheduling of scrutiny activity				
Issue/task	Lead	Timescale	Resourcing	Comments
4.1 Complete baseline mapping of scrutiny activity 2004-08	Nikki Bridle, Audit Scotland	January 2009	Operational group	The analysis and activity in this area has provided useful data to inform baseline assessment and against which future performance can be monitored/measured. It has also been produced alongside a paper which provides a joint commentary on how scrutiny has evolved over the same period.
4.3 Agree principles on which 2009 (interim schedule) will be based	Nikki Bridle, Audit Scotland	February 2009	Operational group	This activity requires the identification of the key principles on which the interim schedule will be based and how the exercise will be undertaken. These should be broadly in line with initial thoughts on risk assessment criteria as far as possible and draw on the exercise already completed.
4.3 Complete scrutiny scheduling exercise for 2009	Nikki Bridle, Audit Scotland	February 2009	Strategic and operational groups	This activity is to be carried out in line with the transitional arrangements approach.
4.4 Determine and document the anticipated key outputs/ outcomes from the planning and scheduling development activity and undertake baseline assessment exercise against Critical Success Factors (CSFs) in order that future improvements can be demonstrated.	Nikki Bridle, Audit Scotland	April/May 2009	SRA development group	The CSFs need to be identified and measured at the start of the work to enable performance reporting to be completed down the line.

4. Improved planning and scheduling of scrutiny activity				
Issue/task	Lead	Timescale	Resourcing	Comments
4.5 Design framework for coordinated scheduling and planning of scrutiny activity	Nikki Bridle, Audit Scotland	September/ November 2009	SRA development group	<p>Develop and document a model for delivering better coordinated scheduling and planning of scrutiny activity. Key development considerations include:</p> <ul style="list-style-type: none"> • agreeing the underpinning planning and scheduling principles and parameters • agreeing the incidence and nature of coordinated planning activity • determining the resource requirements for administering the arrangements • establishing the management information requirements and frequencies.
4.2 Complete scrutiny planning cycles exercise	Nikki Bridle, Audit Scotland	September/November 2009	SRA development group	<p>We need to ensure that we have a common understanding of the current timing and nature of our collective planning cycles in order that we can assess the fit/not of these to factor into the longer term model. In particular this activity will need to consider:</p> <ul style="list-style-type: none"> • the current incidence and nature of planning cycles for all scrutiny bodies • the options for the future frequency and timing of coordinated planning activity • the duration (3-5 years?) of the scheduling cycle and whether it operates on a fixed or rolling basis • the identification of 'givens' within planning parameters.

4. Improved planning and scheduling of scrutiny activity				
Issue/task	Lead	Timescale	Resourcing	Comments
4.6 Produce a system specification for the planning and scheduling tool.	Nikki Bridle, Audit Scotland	December 2009	SRA development group	This should be a jointly agreed specification which considers the opportunities for additional features which might support the planning and resourcing arrangements within individual scrutiny bodies.
4.7 Evaluate options and select an appropriate tool for managing the scheduling exercise/ resources	Nikki Bridle, Audit Scotland	January/February 2010	SRA development group	The exercise should include analysis/appraisal of existing systems in place across all bodies as potential options. It should also consider the arrangements for rolling out the scheduling tool across scrutiny bodies (April-September 2010).
4.8 Identify appropriate administrative and support arrangements for the operation and maintenance of the scheduling tool	Nikki Bridle, Audit Scotland	March 2010	SRA development group	There are a number of administrative/operational issues associated with running a potentially collectively owned system which need to be documented and addressed. These include: - <ul style="list-style-type: none"> • ownership of the (hardware/ software) system • ownership of the data • access levels • data input • data security • system administration • management information • the need for protocols and guidance.

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