

A progress report for the year to 31 March 2011

accounts
commission
single
equality
scheme

2010|11

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Foreword

Welcome to the Accounts Commission's equality annual review for 2010/11.

The Accounts Commission is committed to using its position to promote equality in local authorities and this is highlighted in our Single Equality Scheme. This report provides a summary of the progress we have made on that commitment through our work programme, particularly on Best Value audits and performance audits in local government which Audit Scotland carries out on our behalf.

The report is an overview of the developments and progress we have made on diversity and equality during 2010/11, and highlights what we have been doing to put the words and intention of our equality scheme into practice. It should be read in conjunction with Audit Scotland's annual review on equality, which demonstrates Audit Scotland's progress towards making diversity and equality integral to the staff organisation which supports the Accounts Commission.

On 5 April 2011, the new Equality Act introduced a new public sector general equality duty which became law in Scotland. The general equality duty requires Scottish public authorities to pay due regard to the need to eliminate unlawful discrimination, victimisation and harassment; advance equality of opportunity; and foster good relations. We will be considering the impact that the general equality duty has on our audit work during 2011/12.



A handwritten signature in black ink, appearing to read 'John Baillie', with a long horizontal flourish extending to the right.

John Baillie

Chair of the Accounts Commission

Introduction

1. The Accounts Commission is the public's independent watchdog which secures the audit of councils and joint boards and committees (including police, and fire and rescue boards). It investigates whether these bodies are achieving the best possible value for money from their resources and adhering to the highest standards of governance and financial stewardship.
2. The Commission was established in 1975, operates independently of local authorities and of the Scottish Government, and meets and reports in public. It has a maximum of 12 members who are appointed by Scottish ministers following a public appointments process.
3. We published our Single Equality Scheme in December 2009. This scheme sets out the Commission's commitment to using its position to promote equality in local authorities and forms the basis of our work on improving diversity and equality in local government. The Accounts Commission has overall responsibility for its Single Equality Scheme, although Audit Scotland is largely responsible for implementing our scheme. Audit Scotland has its own Single Equality Scheme and reports separately on its progress.
4. This annual review summarises the Commission's main developments and improvements based on the three themes in our Single Equality Scheme action plan:
 - building equalities into our work
 - reviewing our activities
 - developing our information and reporting.
5. This progress report should be read alongside Audit Scotland's annual report on equality. Audit Scotland, as the delivery agency and employer, is engaged in a wider range of work to promote equality through audit as well as in its role as an employer.

Building equalities into our work

6. In order to support our core objectives of *holding public bodies to account and helping them to improve*, Audit Scotland carries out several different strands of audit activity on the Commission's behalf. This includes Best Value audits, national performance audits, publishing performance information and overview reporting on local government. It also works with other scrutiny bodies on our behalf to streamline strategic scrutiny activity in local government. We make sure that Audit Scotland builds consideration of equalities into its audit activities with a view to promoting diversity and equality across the public sector, including local government.
7. Through the audit work that Audit Scotland conducts on behalf of the Accounts Commission and the Auditor General, Audit Scotland has supported national scrutiny of diversity and equality issues.

Best value audits in local government

8. Equalities is a key theme of the Best Value legislation which, alongside the more general community leadership, partnership working and continuous improvement requirements, places a specific obligation on councils to create a culture which encourages equal opportunities and establish measures which enable them to meet all relevant equalities legislation.
9. The 2010 overview report on local government highlighted that councils are showing good commitment to equalities but could still do more to assess and monitor the impact of their activity on the needs of different groups within their communities.¹ Follow-up work on councils' approach to their race equality responsibilities showed improving consultation and engagement with minority ethnic communities.² But there is still scope to improve the quality of information on minority ethnic communities and their needs, and to demonstrate how this information is used to improve services. The Equality and Human Rights Commission (EHRC) recently found that while councils allocated resources to meet the needs of women, minority ethnic groups and disabled people, the process was in the large majority of cases not informed by equality impact assessments or by a set of planned objectives and desired outcomes.^{3 4}

¹ *An overview of local government in Scotland 2010*, Audit Scotland, January 2011.

² *The impact of the race equality duty on council services – impact report*, Audit Scotland, July 2009.

³ Public bodies are required to assess the impact of their policies and activities on different people. An equality impact assessment is a tool for carrying out such an assessment.

⁴ *Counting the cost: final report*, Equalities and Human Rights Commission, August 2010.

10. During 2010/11, we continued to develop our Best Value audit in local government and Audit Scotland developed an Equalities Best Value toolkit to support auditors conducting Best Value audits of public bodies.⁵ The toolkit aims to help auditors establish the extent to which public bodies' arrangements for diversity and equality are designed to achieve and are actually delivering Best Value. Audit Scotland is working jointly with the EHRC to consider how the Best Value audit process might be used to assess how well local authorities are addressing the new public sector general equality duty introduced by the Equality Act 2010. In developing this approach to auditing equalities, Audit Scotland and the EHRC will ensure a coordinated approach and that their respective roles are clear.

National performance audits

11. In order to realise the opportunity to promote equality in our externally focused work, we make sure that Audit Scotland considers diversity and equality issues when developing its rolling programme of national performance audits and at key stages in individual performance audits.⁶ During 2010, Audit Scotland discussed potential topics for its programme with organisations such as the EHRC, Disability Agenda Scotland and a range of public bodies that provide services for equalities groups. Audit Scotland has also revised its guidance for staff on how to make sure they appropriately consider diversity and equality issues in performance audits. For example, in how to identify equality issues when scoping audits and how to make sure focus groups or interviews are accessible for those attending.
12. The performance audit of public sector pensions highlights how equalities are considered in performance audits conducted on behalf of the Accounts Commission.

The cost of public sector pensions in Scotland (February 2011)⁷

This report highlighted that pensions are generally based on individuals' length of service and final salary. On average, pensioners in the police and firefighters' schemes receive higher pensions while in all schemes men generally receive higher pensions than women. This variation reflects differences in pay and reward and in the proportion of employees working reduced hours within each occupation and sector. It also reflects the shorter average working lives of women in recent years and any previous pay inequality.

⁵ Best Value Toolkit: Equalities - http://www.audit-scotland.gov.uk/docs/best_value/2010/bv_100809_equalities_toolkit.pdf

⁶ Reports prepared by Audit Scotland on behalf of the Accounts Commission can be found on www.audit-scotland.gov.uk and can be downloaded in a variety of formats.

⁷ *The cost of public sector pensions in Scotland*, Audit Scotland, February 2011.

Overview reports on local government

13. Each year, the Accounts Commission produces an overview report on issues arising from local authority audits (through financial audits, Best Value audits and performance audits).⁸ The 2010 reports highlighted a number of issues about diversity and equality in local government, including:
- equal pay settlements contributed to cost pressures in 2009/10. Up to the end of March 2010, the cost of meeting equal pay claims across councils was in the region of £420 million. Councils estimate future costs of settling claims at £180 million. However, there are still large numbers of cases at tribunal, and the potential outcomes present continuing uncertainty for councils
 - the need for local authorities to be aware of equalities in workforce planning, as reductions in job numbers could have different effects on different employee groups
 - councils are showing good commitment but could still do more to assess and monitor the impact of their activity on the needs of different groups within their communities.
14. We will follow up on these issues as part of the 2011 overview report on local authorities.

Working with other scrutiny bodies

15. During 2010/11, we continued to make good progress in leading the development with other scrutiny organisations of a simplified and more coherent system of scrutiny for local government in Scotland. We published the first national scrutiny plan for local government in July 2010, with the second plan published in May 2011.⁹ The plan sets out a timetable showing strategic scrutiny work for the year ahead, looking at each council overall and its key services, based on risk assessments of each council which includes consideration of equalities issues. During 2011/12, Audit Scotland will work with the EHRC when refining the arrangements for the 2012/13 shared risk assessment process. They will consider what changes might be made to strengthen the consideration of equalities issues as part of that process.

Supporting national scrutiny of equalities issues

16. In November 2010, Audit Scotland provided oral evidence to the Parliament's Equal Opportunities Committee to support the Committee's scrutiny of the draft budget for 2011/12. Audit Scotland

⁸ Matters arising from local government audits are reported to the Commission through the Controller of Audit.

⁹ The scrutiny partners involved in the shared risk assessment process for local government are the Accounts Commission, Audit Scotland, HM Inspectorate of Constabulary for Scotland (HMICS), HM Inspectorate for Education (HME), Health Improvement Scotland, Social Care and Social Work Improvement Scotland (SCSWIS) and Scottish Housing Regulator.

explained how it considers equalities issues in Best Value audits of local authorities and in the shared risk assessment process for local government, which it undertakes on our behalf.

17. In 2010/11, Audit Scotland also provided oral and written evidence to the EHRC as part of its inquiry into disability-related harassment. This involved outlining the audit work that Audit Scotland carries out on behalf of the Commission and the Auditor General, including Best Value and performance audits. The evidence provided also covered the shared risk assessment process for local government, which Audit Scotland undertakes on our behalf.

Reviewing our activities

18. We monitor the impact of our activities and seek to ensure these represent good practice. Our objectives in doing this are to make sure we promote diversity and equality and embed consideration of diversity and equality into our decision-making. Our Single Equality Scheme makes our position on diversity and equality clear; sets out what we intend to do both internally and in the way we carry out our work; and explains how we monitor our progress.

Communicating with the public

19. The Accounts Commission's website allows information about public audit in Scotland to be easily accessible to the general public and to public bodies. The website has achieved 'Accessible Plus' accreditation from the Shaw Trust for the third year in a row. The Shaw Trust recognises websites that not only comply with web accessibility guidelines, but go further by improving usability for disabled users.
20. During 2010, Audit Scotland compared approaches to accessibility with other public sector bodies, including other UK audit agencies. This involved comparing matters such as:
- formats available on websites
 - text size, column formatting and colour palettes
 - online and print accessibility.
21. We found that our accessibility features compared favourably in most of the areas measured.

Assessing impact

22. Audit Scotland carries out equality impact assessments on our behalf. Equality impact assessments provide an opportunity for us to consider the different impact our activities may have on different equality groups. Audit Scotland remains committed to undertaking impact assessments which incorporate all the equality strands and have put in place mechanisms to make sure that any issues particular to one strand of equalities are properly addressed in any impact assessment process. The Scottish Government's impact assessment tool has been adapted to support our needs and the specific nature of our role and work in Scotland.
23. During 2010/11, Audit Scotland's Diversity & Equality Steering Group identified activities to be prioritised for equality impact assessment. By the end of March 2011, Audit Scotland had published equality impact assessments for recruitment and selection; procurement of audits (see overleaf);

corporate quality framework; and its performance appraisal and development framework. All equality impact assessments are published on its website.

Equality impact assessment on procurement of audits

The Accounts Commission and the Auditor General appoint the auditors for public sector bodies in Scotland. Audit Scotland's Audit Strategy Group undertakes the procurement exercise on behalf of the Commission and the Auditor General.

Audit Scotland has just completed the procurement for the next round of audit appointments for 2011/12 to 2015/16. This was an EU tender process. Prior to carrying out the tender, Audit Scotland carried out an equality impact assessment of its tendering procedures to make sure that appropriate consideration was being given to diversity and equality.

The letter of appointment already stipulated that auditors should not discriminate on any grounds. For the new tender for 2011/12 to 2015/16, we asked for the first time if tenderers had been judged to have discriminated against any employees on the grounds of sex, race, sexual orientation, disability, religion or belief, age or other grounds. Where applicable, full details and the steps taken to prevent any recurrence of such breaches were requested to allow us to determine whether a judgement should affect the tender. In addition, to further promote diversity and equality, we will ask all successful firms to submit their diversity and equality statements to us within six months.

Developing our information and reporting

24. The Commission is committed to developing regular reporting and monitoring arrangements to assess progress on actions within our Single Equality Scheme. This annual progress report is part of these arrangements.

Diversity & Equality Steering Group

25. Audit Scotland's Diversity & Equality Steering Group aims to help embed diversity and equality within Audit Scotland and to ensure a coordinated corporate response on equality issues. The steering group reports its activity and progress on its work plan and priorities to Audit Scotland's Management Team, which in turn reports to the Audit Scotland Board, the Auditor General for Scotland and the Accounts Commission.
26. The group steers Audit Scotland's strategy on all diversity and equality related matters, including ensuring effective design and delivery of the Accounts Commission's and Audit Scotland's Single Equality Schemes and actions plans. The steering group has a strategic role but its membership, rooted within different teams based across Audit Scotland, is able to make sure that action and cultural changes take place at a local level. On behalf of the Commission, the steering group monitors and reports on progress with the Commission's Single Equality Scheme through this annual report.

Members of the Accounts Commission

27. Accounts Commission members are appointed by ministers, with support from the Public Appointments Commissioner for Scotland. Members of the Commission are appointed on a single set of terms and conditions, and there is a single set of arrangements for induction, re-appointment, allocation to Accounts Commission committees, and engagement with Best Value audit, performance audit and other reports. Details of our current membership can be found at www.audit-scotland.gov.uk/about/ac.
28. The Public Appointments Commissioner is responsible for monitoring appointments to make sure that they are made on merit after fair and open competition. It also reports on diversity on the

appointments to all public bodies, including the Accounts Commission. Further information is available at the Office of the Public Appointments Commissioner for Scotland's website.¹⁰

¹⁰ www.publicappointments.org

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