

# Accounts Commission

**Race Equality Scheme: 2007 – 2010**

## **Introduction by the Chair**



The Accounts Commission is keen to use its position to contribute towards the promotion of race equality. We believe our role gives us the opportunity to promote race equality and good relations between people of different racial groups, not just to local authorities but to the Scottish public. Audit Scotland will be working with us, and on our behalf, to review all our policies and activities and I hope that this process will raise our awareness of race equality issues further and help us to keep improving the way we do things.

**Alastair MacNish**

# Introduction

## Background

1. The Accounts Commission is a statutory, independent body which, through the audit process, assists local authorities, police and fire boards in Scotland to achieve the highest standards 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
  - 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.
2. The Commission secures the audit of 32 councils and 40 joint boards (including the police and fire services). Local authorities spend over £14 billion of public funds a year. Together with Audit Scotland and the Auditor General, they ensure that the Scottish Executive and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

## Accounts Commission Members

3. The Accounts Commission can have between 6 and 12 members appointed by Scottish Ministers. The Accounts Commission does not employ any staff but Audit Scotland supports the Commission in its work.

## The Accounts Commission's previous Race Equality Scheme

4. The Accounts Commission's first Race Equality Scheme was published in 2002. It was reviewed in 2005. The 2005 review was an interim measure as the Commission was keen to develop a single scheme covering all equalities strands (i.e. race, gender & disability etc.). However, having published the Disability Equality Scheme in December 2006 and the Gender Equality Scheme in June 2007<sup>1</sup> the

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<sup>1</sup> The guidance relating to the Gender Equality Specific Duties was available later in Scotland than that applicable to public bodies in England. This resulted in the Gender Equality Scheme being published later than we had originally anticipated – see *Equality Exchange Newsletter* (December 2006) published by Philippa Bonella, Director of Policy EOC Scotland.

Commission has taken the view that it would publish a completely revised and updated Race Equality Scheme. These three schemes will form the foundation upon which the Accounts Commission's single equalities scheme will be built.

5. Appendix 3 contains details of the action plan from the original 2002 scheme. Within appendix 3 is a list of the outcomes from that first scheme.

## The Race Equality Duty

6. The Race Relations Act (RRA) 1976 (as amended by the Race Relations Amendment Act of 2000) places a duty on all public sector authorities to promote racial equality. This duty means we must be proactive in ensuring that people of all racial groups are treated fairly. The Race Equality Duty (RED) is about promoting racial equality and embedding equality for all into our culture in practical and demonstrable ways. The duty has two elements – a general duty and a specific duty. The general duty requires all public authorities to have due regard to the need to:
  - Eliminate discrimination that is unlawful under the Act
  - Promote equality of opportunity between people of all racial groups
  - Promote good relations between people of different racial groups.
7. The specific duty requires the Accounts Commission to create a race equality scheme and action plan.
8. The duty aims to make the promotion of race equality central to the way that public authorities work. It is designed to achieve a variety of benefits going forward, including:
  - Encourage policy makers to be more aware of possible problems and the need for improvement
  - Contribute to more informed decision making
  - Make sure that policies are properly targeted
  - Improve the delivery of suitable and accessible services that meet varied needs
  - Encourage greater openness about policy-making
  - Increase confidence in public services, especially among ethnic minority communities
  - Help to develop good practice

## **Leading and Co-ordinating the Approach to the Race Equality Duty**

9. The Accounts Commission as a whole has overall responsibility for the Race Equality Scheme. Since the Accounts Commission does not employ any staff the employer's duty does not apply and this is reflected in our Race Equality Scheme. The Chair of the Commission has worked with Audit Scotland to produce this scheme. Responsibility for implementation of the scheme rests with Audit Scotland, specifically with the Director of Corporate Services, who chairs Audit Scotland's Diversity and Equality Working Group (DEWG). Audit Scotland has its own Race Equality Scheme which includes aspects in relation to Audit Scotland's duties as an employer to its employees.
10. The DEWG involves representatives from across Audit Scotland, including the staff trade union. The role of the DEWG is to develop, monitor and review progress against the equality duties, and report on progress to the Senior Management Team and the Accounts Commission.

# Policies and activities

11. The Accounts Commission recognises that if race equality is to be improved then it is essential that:
  - our policies and activities do not discriminate against people of different racial groups; and
  - Consideration of race equality is fully embedded within the way policies are developed and activities carried out.
12. The Accounts Commission's key policies and activities are as follows:
  - Securing the financial audit of local government
  - Securing best value audits
  - Securing national public reporting studies
  - Specifying Statutory Performance Indicators (SPIs)
  - Approving the Code of Audit Practice
  - Monitoring the quality of audit work.

# Involving people

13. At the heart of the RED duty is the requirement to consult people in producing the Race Equality Scheme and action plan. The Commission recognises that to really promote race equality and eradicate discrimination, stakeholders must be involved in not only identifying potential improvements but also in reviewing the progress and impact of those improvements. Involvement is a long-term process and the Commission are fully committed to this.
14. Audit Scotland is developing an approach to involvement by using a group of its professional practitioners. However, although this group possesses expert knowledge concerning the services, functions and policies of the Accounts Commission the bank of practitioners from which the group will be drawn is not sufficiently representative of the different ethnic groups in Scotland. An additional team of external representatives from groups representing ethnic communities, particularly those from ethnic minority groups, will be involved to help ensure a balance of input is achieved. These people will provide input on the Commission's behalf.
15. Members of the DEWG were involved in the creation of the Commission's scheme in two main ways:
  - carrying out an assessment of our policies and activities (in the longer term external stakeholders will also become more fully involved in this aspect)
  - commenting on this updated, revised, second scheme

## Taking involvement further

16. The practitioner group, along with external stakeholders who will become involved, has responsibility for deciding what involvement should look like once the scheme is published. There are some specific actions to be undertaken, such as monitoring and reviewing the scheme and action plan and these are detailed in the relevant sections. The group will decide, in conjunction with the DEWG, what format these will take.
17. They will then be able to become fully involved in the processes of reviewing policies, assessing impact and monitoring progress.
18. As stated above, it is proposed that further work will be undertaken with external organisations which represent ethnic communities, particularly ethnic minority groups. This will ensure that we obtain a better and richer outcome from the process of impact assessment and the policy development that follows. This activity and the options available will be discussed further with external specialist support. These options centre on the means by which we can consult and better understand how

people of differing backgrounds perceive the Accounts Commission and the impact that our policies may be having upon them.

# Assessing the impact of policies and activities

19. The Accounts Commission is committed to valuing and promoting diversity. We recognise that there is a need to continually review our policies and functions. This is to ensure that they do not unintentionally disadvantage people of different racial groups and to identify where we can better promote equality of opportunity and good relations between people of different racial groups. Since the first RES was published in 2002, a number of action points have already been addressed. To fully assess all aspects of the Commission's work, and since the last update of our scheme, we have adopted the Scottish Executive impact assessment toolkit (the draft toolkit being first available from the Scottish Executive in 2005) to cover all equality strands. We have also adopted the Diversity Excellence Model (DEM) and ensured 19 of Audit Scotland's practitioners received training from the National School for Government. Audit Scotland will undertake impact assessments of our policies and activities using the toolkit and building upon the expertise gathered as a result of the DEM training.
20. In order for us to gain maximum value from the impact assessment process, Audit Scotland will be assessing Accounts Commission policies and activities against all the equality strands (both those in law and those forthcoming). We are aware that there is a risk in such an approach because there is potential for race equality issues to become 'lost' amid the other strands. However, Audit Scotland will put in place mechanisms to ensure that any issues particular to one strand of diversity and equality are properly addressed in the impact assessment process. One way in which this may happen is for separate assessments on e.g. race, to take place if there are particular high priority issues. The DEWG has recently agreed to adopt the Scottish Executive's Impact Assessment Tool. We will seek input from our internal involvement group to help tailor the Tool to our needs and circumstances.
21. As discussed in the previous section, a small group of staff were involved in the initial and subsequent assessment of our internal and external policies, functions and activities. They rated each area for both the impact on people (on the basis of race) and importance in relation to our other policies and activities. The scale used for impact was – no impact on staff, a little impact, some impact, and substantial impact. The scale used for importance of the policy or activity was - not very important, reasonably important, and very important. The scores for each of these were then mapped against each other to identify the priorities. Appendix 1 shows the full results.
22. Audit Scotland will place these priorities alongside the priorities for other strands to determine the final priorities for impact assessment. As mentioned previously, mechanisms for ensuring that no important issues are missed will be developed through the action plan.

23. Undertaking full impact assessments can be resource intensive. To ensure that Audit Scotland and the Commission get as much out of the process as possible, each assessment will be undertaken by a small group of participants. This group will also be fully supported throughout the assessment process. The group will be made up from a combination of those responsible for the policy/activity; members of the DEWG group; participants from the internal/external involvement groups; other stakeholders affected by the policy/activity and potential participants from other equality strands.
24. The impact assessment process will span the length of the scheme. Audit Scotland will finalise a programme of impact assessments during the next 3 -6 months using the Scottish Executive framework.

# Mapping our performance

25. To measure the Commission's progress on improving race equality, we must, with the help of Audit Scotland, continue information-gathering arrangements and report regularly on progress. The Accounts Commission does not employ any staff, rather members are appointed by Scottish Ministers. Responsibility for recruitment, development and retention therefore lies with the Scottish Parliament.

## Measuring progress

26. The involvement of Audit Scotland's DEWG and the future involvement groups is helping to identify key actions and priorities for the impact assessment programme of our policies and activities. This work has fed and will continue to feed into the action plan. Audit Scotland's DEWG will monitor progress on the actions with the help of their involvement groups and will feed this back to the Commission for review.
27. The Commission will use mechanisms developed by Audit Scotland to help assess whether our performance on race equality is improving. Future discussions with Audit Scotland and their involvement groups about the potential impact of our work on people of different racial backgrounds will help to prioritise actions and develop ways of measuring progress.

## Using the information

28. As mentioned in each of the previous sections, the information that Audit Scotland gathers on our behalf will allow us to meet our legal obligations and to measure progress on our action plan and race equality in general. Audit Scotland has identified an action on our behalf to develop appropriate mechanisms for measuring progress and impact.

# Monitoring and review

29. The Accounts Commission will use Audit Scotland to monitor and review specific progress on the action plan and our performance more generally. Audit Scotland will then feed this information back to the Commission who will then review it. Audit Scotland's DEWG group in conjunction with the involvement groups will monitor and review progress on our action plan at its regular quarterly meetings. The whole scheme and action plan will be reviewed and updated in three years.
30. The Accounts Commission will publish an annual monitoring report on race equality which will set out:
  - Progress on actions taken in the past year
  - The results of information-gathering
  - What has been done with the information collected.
31. We will publish a revised scheme in May 2010.

## Assessing progress in other organisations

32. Public bodies have a statutory duty to encourage equal opportunities. As part of this, Audit Scotland, on behalf of the Accounts Commission, currently addresses equality issues in the bodies audited in a number of ways. As part of the impact assessment process these approaches will be reviewed and any improvements identified.
33. The Local Government in Scotland Act 2003 introduced a statutory duty of Best Value and Community Planning on councils. The definition of Best Value includes the encouragement of both equal opportunities and the observance of the equal opportunities requirements as defined in the Scotland Act 1998.
34. Within Local Government, the following audit approaches encompass equality issues:
  - **Statutory Performance Indicators**
    - Audit Scotland (on behalf of the Accounts Commission) specifies statutory performance indicators (SPIs) which all councils, police forces and fire brigades must publish. There are specific indicators relating to race. Consultation remains ongoing to ensure that these measures remain relevant.
  - **Public Reporting Studies**

- Equalities issues are explicitly considered at the early scoping stages of every study, when a formal study brief is prepared. Every brief is then sent for comment to a range of stakeholders, including the main equalities bodies.

- **Best Value Audits**

- In 2004, we started a programme of Best Value Audits, which are designed to ensure that councils have made proper arrangements for Best Value and are complying with their Community Planning duties under the Local Government in Scotland Act 2003. All 32 councils will be audited over a 3 - 4 year period. Police and Fire authorities are also subject to Best Value audits.
- The Statutory Guidance on Best Value provides ten major criteria, one of which is equal opportunities arrangements. Councils self-assess their performance against all ten Best Value criteria and the audit process checks evidence in detail against a targeted selection of these. In some councils the audit takes an overview of equalities performance; in others a more detailed audit will be undertaken.

33. Audit Scotland's *Priorities & Risk Framework* (PRF) for Local Government, principally an audit planning and risk assessment tool, in combination with other activities allows them to identify risks which may be specific to local government in Scotland. This helps auditors in assessing audit risk and deciding where to target resources. Equalities is considered as a cross-cutting theme particularly in relation to political governance, performance management, workforce management, procuring and managing assets.

# Appendix 1 – Prioritising our policies and activities

	SUBSTANTIAL IMPACT	SOME IMPACT	A LITTLE IMPACT	NO IMPACT
<b>VERY IMPORTANT</b>	Public Reporting Studies	Securing the audit of governance, financial stewardship and performance of local authorities, police and fire bodies		
	Best Value audits	Media enquiries/contacts		
	SPI's			
	Code of Audit Practice			
	Sector Plan			
<b>REASONABLY IMPORTANT</b>		Media interviews		
		Best value audit - public hearings		
		Meetings - internal and external		
		Press releases		
<b>NOT VERY IMPORTANT</b>		Internal communications		

# Appendix 2 - Race Equality Scheme Action Plan

This Action Plan sets out the specific steps Audit Scotland on behalf of the Accounts Commission to improve race equality

Action	Explanation	Outcome	Responsibility and timescale
Set up Audit Scotland's involvement group beyond the current DEWG and examine and recommend options for wider involvement beyond Audit Scotland staff.	<p>Requirement of the RED to involve people in progressing race equality.</p> <p>Need to implement race equality in the best way for people of different racial backgrounds and groups.</p> <p>Recognition that many people do not fully understand the role or work of the Accounts Commission.</p>	<ul style="list-style-type: none"><li>• An internal involvement group from Audit Scotland staff that have a range of differing backgrounds, personal circumstances and from as diverse a racial group as can be achieved from the present staffing profile</li><li>• A group external to Audit Scotland that have a range of differing backgrounds and personal circumstances, including racial backgrounds.</li><li>• The groups will have an understanding of our work</li><li>• In the longer term, the group member's views and experiences strongly influence decisions and priorities.</li></ul>	<p>Director of Corporate Services, Audit Scotland</p> <p>Expand membership and begin capacity building work by September 2007</p> <p>Full involvement March 2008.</p>

<p>Implement programme of impact assessments using Scottish Executive framework and toolkit.</p>	<p>Impact assessments needed for all relevant policies and activities over the next three years, starting with the highest priority ones identified with the involvement groups.</p> <p>Audit Scotland will develop the approach and undertake the assessments, using staff that are trained and supported to ensure a systematic and consistent approach.</p>	<ul style="list-style-type: none"> <li>• A 3-year programme of impact assessments based on priorities</li> </ul>	<p>Director of Corporate Services, Audit Scotland August 2007</p>
<p>Complete planned programme of impact assessments and report on results of assessments annually</p>	<p>Impact assessments needed for all relevant policies and activities over the next three years, starting with the highest priority ones identified with the involvement groups</p>	<ul style="list-style-type: none"> <li>• A formal, annual report giving the results of impact assessments undertaken in the previous year, and actions taken or planned as a result</li> </ul>	<p>Director of Corporate Services, Audit Scotland First report March 2008</p>
<p>Investigate and set out methods for assessing whether the outcomes have been achieved for each action in the action plan and what the impact is on people of different racial groups and backgrounds.</p>	<p>To assess progress on the action plan, outcomes have been identified but mechanisms must be put in place to evidence whether these have been achieved and what impact they have had</p>	<ul style="list-style-type: none"> <li>• A method identified for measuring each action outcome and assessing its impact</li> </ul>	<p>Director of Corporate Services, Audit Scotland December 2007</p>
<p>Produce an annual review of progress on the race equality scheme and a revised action plan.</p>	<p>Requirement of the RED and a means of reporting progress to all interested parties.</p>	<ul style="list-style-type: none"> <li>• A formal, annual assessment of progress and a revised action plan, considered at and Accounts Commission meeting</li> </ul>	<p>Director of Corporate Services, Audit Scotland First review May 2008</p>
<p>Formally review the Race Equality Scheme after 3 years and publish an updated scheme and action plan</p>	<p>Requirement of the RED and a means of keeping the scheme up-to-date and relevant.</p>	<ul style="list-style-type: none"> <li>• A formal review of the scheme by Audit Scotland</li> <li>• An updated scheme published by May 2010</li> </ul>	<p>Director of Corporate Services, Audit Scotland May 2010</p>

# Appendix 3 - Race Equality Scheme Review of Previous Action Plan

This section reviews the actions previously identified in the first scheme (2002) to improve race equality

Action	Other Information	Outcome	Responsibility and timescale
Audit Scotland will work with the Commission for Racial Equality, on behalf of the Accounts Commission and the Auditor General to develop a process for assessing, through the audit, progress by public bodies in implementing the RRA duties.	Progress will be measured by the publication of the new approach, agreed with the CRE.	<p>The CRE published its guidance <i>A Framework for Inspectorates in Scotland</i> in late 2002. Audit Scotland, on behalf of the Accounts Commission, worked with the CRE's Audit &amp; Inspection Group using this framework. A common understanding of Audit Scotland's approach to assessing public bodies' implementation of the RRAA was the outcome.</p> <p>The Public Reporting Group's 2003-04 business plan set out four strands for addressing the foregoing through the Project Management Framework, the consultation programme, the SPIs and the Best Value Audit. The first three of these are reported on below and the approach to Best Value Audit is set out in <i>The Audit of Best Value – A Guide for Councils in Year 1</i>.</p> <p>Audit Scotland has consulted with the Equalities Group (see end note) to progress all four strands.</p>	Audit Scotland – Director of Performance Audit (Education, Environment and Justice.)
Audit Scotland will work with the CRE, on behalf of the Accounts Commission, to develop new statutory performance	Progress will be measured by 1. Reaching an agreed position on proposals for	In the lead-up to the 2003 Consultation for 2004-05 SPIs, Audit Scotland met individually with each of the three Commissions (CRE, DRC & EOC). An additional SPI was proposed as a result representing	Audit Scotland – Director of Performance Audit (Education, Environment and Justice)

<p>indicators, for consultation with audited bodies, which can be used to measure progress on race equality.</p>	<p>SPIs with CRE. Any SPIs to be included in 2003 consultation paper. 2. Publication of new direction on SPIs including agreed race equality indicators (subject to 1 if accepted after consultation) 3. publication of performance across authorities using new indicators (subject to 1 and 2)</p>	<p>an indicator covering public access under the DDA (this being introduced in 2004/05). No race equality indicators were identified in addition to the already established indicators on the clear-up rate for racially aggravated crimes.</p> <p>In 2005, Audit Scotland and CRE explored a new indicator measuring the proportion of council employees from black and minority ethnic groups. Both the Accounts Commission and CRE recognised the challenges and difficulties of developing an effective SPI and, after briefings to Accounts Commission members, it was decided that this should not be progressed until after the public reporting study concerning equality is complete.</p>	
<p>We will review our letter of appointment to auditors to ensure that the new duties of the Accounts Commission and Audit Scotland are clear.</p>	<p>Progress will by issuing new letters of appointment, if required.</p>	<p>Letter of appointment reviewed in line with CRE paper <i>Race Equality and Public Procurement: A guide to meeting the duty to promote race equality</i>.</p> <p>A standard consultancy contract for use by the Public Reporting Group was reviewed and amended.</p>	<p>Audit Scotland – Director of Audit Strategy</p>
<p>We will ensure that performance audit studies take account of the Race Equality duties. Audit Scotland will review their study methodology to support this.</p>	<p>Progress will be measured by the publication of revised study methodology.</p>	<p>Audit Scotland reviewed the effectiveness of its approach and, as a result, implemented actions as shown below:</p> <p>The Performance Management Framework, relaunched in 2004, now includes explicit consideration of equalities issues.</p> <p>Following positive feedback from consultation on the study programme, the Auditor General for Scotland and the Accounts Commission have agreed to undertake a study with an equality focus in 2006/07. The report will be completed during late 2007 / early 2008.</p>	<p>Audit Scotland – Director of Performance Audit (Health, Housing and Community Care.)</p>

Endnote: The Equalities Co-ordinating Group comprises the Scotland offices of the Commission for Racial Equality, Disability Rights Commission, Equal Opportunities Commission, Equality Network, Age Concern Scotland, Scottish Inter-Faith Council, Fair Play Scotland, Scottish Executive Equality Unit, Scottish Parliament Equal Opportunities Committee, Scotland Office, Convention of Scottish Local Authorities (COSLA).