



# Audit Scotland Annual Report 08/09

Holding to account and helping to improve

Audit Scotland helps the Auditor General and the Accounts Commission ensure that public money in Scotland is used properly, efficiently and effectively. Our aim is to hold public bodies to account and help them improve. Audit Scotland audits the majority of devolved public services in Scotland. We audit 210 public bodies which spend more than £31 billion a year.

This annual report is structured around the key themes of Audit Scotland's 2007–10 corporate plan, which are:

- supporting effective democratic scrutiny
- maximising the value of the audit
- building an effective and efficient organisation.



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# Our year

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## Highlights of 2008/09

- 210 final annual audit reports produced
- 30 performance audit/Best Value reports published
- 99 per cent of all audits completed on time
- 900 separate reports produced for the 210 public bodies audited
- 95 per cent of NHS boards and 94 per cent of further education colleges think our auditors provide a high-quality audit service
- £40 million in cumulative overpayments and savings now identified and addressed by the National Fraud Initiative
- Key role in supporting the Accounts Commission's new responsibility for coordinating scrutiny work in local government
- New responsibility for scrutinising the housing and council tax benefit (HB/CTB) service in Scotland, with risk assessments carried out at 19 councils
- Completed training in the new International Financial Reporting Standards
- Presented to 66 seminars, conferences and training events and to ten groups of overseas visitors to Audit Scotland
- Served on 72 external bodies and working groups
- Our website awarded the Shaw Trust 'Accessible Plus' accreditation in recognition of its high level of accessibility for people with disabilities

“There has never been a greater need for independent assurance about financial performance, risk management and support for improvement in the public sector.”

# Welcome to Audit Scotland's annual report for 2008/09

In what has been the most challenging external economic environment since Audit Scotland began, we are pleased to report some significant improvements in our performance for this year. We published more reports; we have presented at substantially more seminars and conferences than before; we are using our expertise to contribute to more external bodies and working groups; while at the same time, surveys of the views of our clients show that our work continues to have a very high standing.

Audit Scotland has concluded the first round of Best Value auditing in local government. The Accounts Commission considered 31 Best Value reports on Scotland's 32 local authorities. Audit Scotland has also taken on a leading role on behalf of the Accounts Commission in helping to reduce the overall scrutiny burden for public bodies in Scotland, including the development of a shared risk assessment approach with other scrutiny bodies.

During the year, we consulted widely with our stakeholders about the priorities we should set out in our new corporate plan, which was published in February. Last summer's consultation indicated clearly that stakeholders' main concerns were about the pressure on public spending and the drive to increase the efficiency of the public sector. The recession

and the financial crisis have increased the need for all public bodies to focus on economy and efficiency. There has never been a greater need for independent assurance about financial performance, risk management and support for improvement in the public sector. Audit Scotland will continue to focus on these key issues.

In this report, we describe the value and impact of the full range of work we do. We also report on our own performance and efficiency.

Audit Scotland has demonstrated the value of independent and professional comment on a wide range of issues of public interest.

We thank all the staff at Audit Scotland, our colleagues in the private firms of accountants and our clients and stakeholders for their commitment to ensuring that the public sector in Scotland has sound systems of governance and high standards of audit. We also thank Phil Taylor, independent non-executive member of the Audit Scotland Board for his seven years, and welcome his replacement, Ronnie Cleland.



**Robert W Black**  
Accountable Officer  
and Auditor General for  
Scotland

**John Baillie**  
Chair of Audit  
Scotland Board

# Our performance

## Supporting effective democratic scrutiny

### Supporting scrutiny

Audit Scotland produces a wide range of reports which are published on our website. They include the results of annual audits and investigations into particular areas of performance or sectors, and help ensure that the results of our work are brought to public attention. Some of these reports are considered by the Public Audit Committee of the Scottish Parliament. Others are considered by the Accounts Commission for Scotland. They are often covered by the media.

### Public reporting programme

In 2008/09, we published 30 performance audit/Best Value reports, up from 18 last year. These were presented as follows:

- 2 Across-government reports
- 6 Central government reports
- 6 NHS reports
- 13 Local government Best Value reports
- 3 Other local government reports.

The impact of our reports can be seen in a number of ways. Reports published in 2008/09 were downloaded 173,422 times from the Audit Scotland website during the year. We supply reports and findings in various formats, including podcast interviews.

Our report *Drug and alcohol services in Scotland* generated more than 70 separate items of media coverage in the two days following its publication. Three weeks later, the Scottish Government published a new joint framework for the delivery of drug and alcohol services which takes account of the findings and recommendations in our report.

Another report, *Day surgery in Scotland*, highlighted a big variation among boards in the amount of same-day care which is carried out. Only one board achieved the Scottish target of 75 per cent of surgical procedures carried out as same-day care. We calculated that if all boards achieved the performance of the best, over 34,000 extra same-day care procedures would be carried out, freeing up around £8 million per year.

The case study opposite gives more detail about the impact of another of our reports, *A review of palliative care services in Scotland*.

The Scottish Parliament's Public Audit Committee held evidence sessions on three of our reports, *The First ScotRail passenger rail franchise*, *Review of major capital projects in Scotland*, and a report on the 2007/08 audit of VisitScotland. The committee also held an evidence session on a report from the 2007/08 year, *A review of free personal and nursing care*.

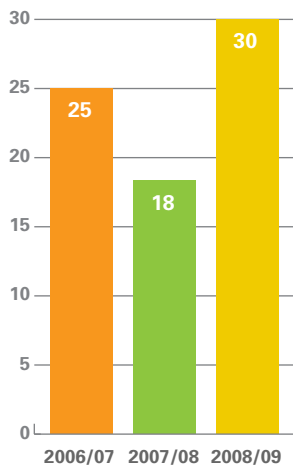
The committee called the relevant Scottish Government accountable officers to give evidence and answer questions about issues raised in the reports. The committee also took evidence from the Minister for Transport, Infrastructure and Climate Change on *The First ScotRail passenger rail franchise*, and asked for written evidence from accountable officers for ten reports published during the year.

An Audit Scotland team also supported the chair of the Accounts Commission in providing a briefing to the Public Audit Committee on the *Overview of local authority audits 2008*. Earlier in the year, the Controller of Audit and the chair gave evidence to the Local Government and Communities Committee on the *Overview of local authority audits 2007*.

Audit Scotland staff gave evidence to an inquiry by the Parliament's Education Committee into school buildings and briefed the Economy, Energy and Tourism Committee on our report *Improving energy efficiency* as part of that committee's energy inquiry. And we gave evidence to the Equal Opportunities Committee on equal pay in local government.

“Our reports help ensure that the results of our work are brought to public attention.”

Number of performance audit/Best Value reports published over past three years



A list of all the reports we published in 2008/09 appears in the Appendix and all our reports are on our website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

Website usage

**reports: 173,422**  
(average 14,452 per month)

**podcasts: 49,282**  
(average 4,107 per month)

**page views: 437,948**  
(average 36,496 per month)

These figures are for the top 500 downloaded items.

Case study

Palliative care services in Scotland

We published *A review of palliative care services in Scotland* in August 2008. It reviewed activity, costs and quality of specialist and general palliative care across Scotland. We found that good quality palliative care was not available to everyone who needs it, access needs to improve, and care needs to be more consistently provided.

The report received considerable media coverage; following publication there were 82 separate media items, ranging from national television news to local newspapers to specialist websites. By the end of October 2008, the report and key messages paper had been downloaded from Audit Scotland’s website almost 3,500 times, with almost another 1,000 downloads of the associated survey reports and our podcast.

In October 2008, the Scottish Government published its action plan for palliative care, *Living and Dying Well*. The Cabinet Secretary for Health and Wellbeing spoke about our report when announcing



Tricia Meldrum and Christine Ferns

the plan, and the launch event included a presentation on how the government’s plan addresses our report and the 26 recommendations we made. When the health service’s chief executive issued the plan to NHS boards, he wrote that they must ensure they prioritise ‘the recommendations made in the Audit Scotland report; and the requirements set out in *Living and Dying Well*’.

Other feedback has included: NHS Lothian and NHS Greater Glasgow and Clyde suggesting future uses of our survey methodology; the Scottish Motor Neurone Disease Association chief executive discussing the report in his opening address to the body’s annual meeting; and the Northern Ireland Cancer Network supporting our findings and asking for more detail.

**Highlighting issues from accounts (Section 22s)**

Auditor General reports, made under Section 22 of the Public Finance and Accountability (Scotland) Act 2000, raise awareness in Parliament of issues arising from the annual audits of public bodies under his remit.

We presented seven Section 22 reports to Parliament on: NHS Western Isles, James Watt College, Kilmarnock College, Highlands and Islands Enterprise, VisitScotland and the Queen’s and Lord Treasurer’s Remembrancer (two reports).

Please note that these reports, while produced in the 2008/09 year, are on the audits of the 2007/08 year and three are on audits of the 2006/07 year. All the Section 22 reports we have published are on our website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

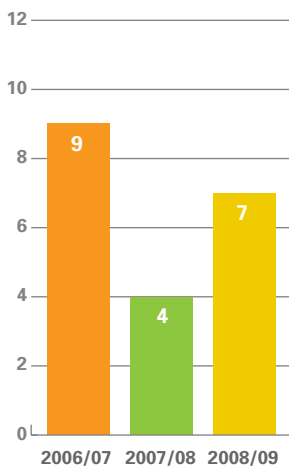
In May 2008, the Parliament’s Public Audit Committee published a report on the 2006/07 audit of NHS Western Isles. This followed an inquiry into Section 22 reports we produced about that health board in recent years.

**Controller of Audit statutory reports**

The Controller of Audit reported to the Accounts Commission on two audit qualifications during the year. The auditors qualified the 2007/08 accounts of Shetland Islands and Aberdeen City Councils. Shetland Islands Council’s accounts were qualified because the council’s group accounts did not include the Shetland Development Trust and the Shetland Charitable Trust, and their related subsidiaries. In the auditor’s opinion this resulted in a material mis-statement of the group accounts. Aberdeen City Council’s accounts were qualified because the council could not demonstrate to the auditors that all bank transactions had been properly recorded in the council’s accounts.

The Controller of Audit also conducted an investigation under Section 102(1) of the Local Government (Scotland) Act 1973, on property sales by Aberdeen City Council. This statutory report found that the council made a potential loss of more than £5 million through the sale of several properties for below market value.

**Number of S22s over past three years**



**Number of Controller of Audit reports over past three years**





### Monitoring financial management and governance

All public bodies have an annual audit which is reported in public. This is the foundation of the public audit system in Scotland. The audit considers how money was spent and whether it was spent appropriately. Audit also has a key role in the prevention and detection of fraud. Through all this work, audit can provide taxpayers and citizens with independent assurance about the use of public money.

### Delivering the audit

We were responsible for 210 annual audits for the year 2007/08. These were carried out by Audit Scotland employees and appointed private firms of accountants.

We completed 99 per cent of all the audits of health, central government, further education and local authority bodies on time (compared with 100 per cent overall in the previous year).

Public sector auditors provide assurance on financial statements as well as professional views on matters such as regularity and legality, propriety, performance and use of resources.

All appointed auditors must remain up to date with wider professional developments. For example, our Audit Services Group has been revising its Audit Guide to ensure that it will comply with updated International Standards on Auditing as they are introduced.

All auditors involved in the audit of particular sectors meet regularly to share experiences, keep up to date with policy developments and discuss technical auditing matters.

During 2008/09, Audit Scotland met the first of a number of milestones set up to achieve a smooth transition to the new International Financial Reporting Standards (IFRS), which come into effect from 2009/10 for the NHS and central government, and 2010/11 for local government. Following training on IFRS, restated balance sheets under IFRS were produced for all NHS and central government bodies by December 2008 and the results of individual reviews reported by March 2009.

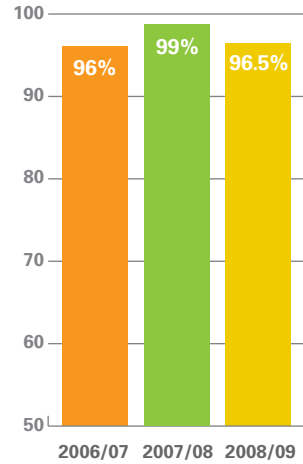
### Appointing the auditors

The Auditor General and the Accounts Commission each appoint the auditors from Audit Scotland and private firms of accountants to undertake audits of Scottish public bodies. Of the 210 audits we carried out in 2008/09, 103, or two-thirds by public sector expenditure, were delivered by Audit Scotland and 107, or a third by public sector expenditure, by private firms.

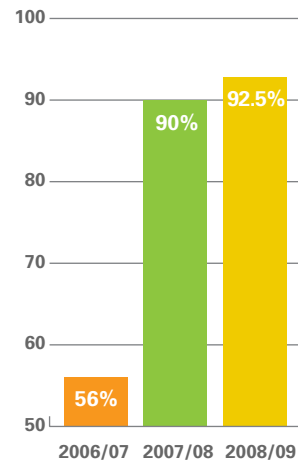
The appointment mix helps foster collaborative working between private firms and Audit Scotland to deliver greater value to clients and stakeholders. It also means that we can rotate auditors between appointments to ensure independence.

A full list of appointed auditors is available on our website.

Percentage of audit plans submitted to Audit Scotland within specified timescales



Percentage of fees agreed within specified timescales



# 210

audits completed in 2008/09.

# 74

Central government

# 23

NHS

# 39

Further education

# 32

Councils

# 41

Joint boards

# 1

Scottish Water

### Reporting the audit

In 2008/09, our auditors produced around 900 separate reports for the public bodies they audit, covering a wide range of areas, such as main financial systems, partnership working in community health partnerships, and information and communication technology. Auditors also attended some 280 audit committee meetings of public bodies across Scotland, up from 250 in the previous year.

Annual audit reports cover the full range of audit work undertaken in the year, providing clients and stakeholders with a comprehensive and independent view of financial management, governance and performance in public bodies. The annual audit reports can be found on Audit Scotland's website.

The great majority of opinions given by appointed auditors are unqualified. However, there are situations where an auditor may disagree that an organisation's financial statements offer a true and fair view of its financial position or where they may wish to refer to any limit of scope of that opinion. In these cases the auditor will qualify their opinion. This year we published nine audit qualifications across all sectors.

Overall, the standard of financial stewardship in Scotland remains sound.

### UK and international standards setting

Audit Scotland strives to be a world-class audit institution. We contribute to the development of accounting and auditing standards in the UK and internationally.

Our staff participated in many panels and working groups that produce guidance for public sector bodies, through the International Organisation of Supreme Audit Institutions (INTOSAI) Expert Reference Panel and by responding to drafts of relevant standards. We take an active part in a number of bodies, including the Financial Reporting Advisory Board, the Chartered Institute of Public Finance and Accountancy (CIPFA), Local Authority (Scotland) Accounts Advisory Committee (LASAAC), Local Government Statement of Recommended Practice (SORP)/Code Board and the Auditing Practices Board public sector subcommittee.

### Ethical standards

Audit Scotland expects the highest ethical standards to be applied by all our staff and partners. High standards are essential if we are to retain the trust and respect of our stakeholders and ensure our independence. We have adopted the principles of the ethical standards for auditors issued by the UK Auditing Practices Board across all our work and provide our staff with guidance about the application of the standards to public sector audit in Scotland.

Our director of Audit Strategy, Russell Frith, undertakes the role of ethics partner and provides advice on the application of the standards.

### National Fraud Initiative

The National Fraud Initiative (NFI) brings together auditors and public bodies to help identify fraud and error in the public sector. They compare information from councils, health boards and other public sector bodies and from a range of financial systems (housing benefits, payrolls, public sector pensions, etc).

To help ensure that public bodies have robust frameworks for tackling fraud, Audit Scotland undertakes a data-matching exercise. This year, public bodies and their auditors continued the work of following up data matches made when the exercise was last undertaken.

The cumulative outcome from NFI exercises in Scotland is now around £40 million and there have been at least 75 successful prosecutions. Effective fraud arrangements can also act as a deterrent.

We are pleased that the Scottish Government has stated its intention to provide new powers for data-matching in Scotland in the Criminal Justice and Licensing Bill. Once passed, these powers will provide Audit Scotland with the opportunity to catch up with the wider range of data-matching activities that are undertaken elsewhere in the UK.

### Housing and council tax benefit payment

From April 2008, at the request of the Department for Work and Pensions, we took on the responsibility of scrutinising the housing and council tax benefit (HB/CTB) service in Scotland.

In 2008/09, risk assessments were carried out in 19 councils. All the councils have drawn up, and are implementing, action plans and progress will be reviewed during the next round of risk assessments. No focused audits were required this year.

### Best Value in Scotland's public services

The duty of Best Value (BV) applies to all public bodies in Scotland. It is a statutory duty in local government, and in the rest of the public sector it is a formal duty on Accountable Officers. Achieving best value is about ensuring sound governance, good management, public reporting on performance and a focus on improvement.

By March 2009, we had completed 31 out of 32 audits of Best Value and Community Planning in Scottish councils with the final report, on East Dunbartonshire, published in May. This completes the first round of BV reviews of all Scottish councils.

During 2008/09, we produced first-time reports on ten councils and progress reports for another three councils. The Accounts Commission held a public hearing following the BV audit of Aberdeen City Council (see case study opposite).

There is evidence that BV reports are helping to make a difference. All three BV progress reports (Inverclyde Council, The Moray Council, and Argyll & Bute Council) showed varying levels of improvement, with Inverclyde's progress report in particular demonstrating the part that BV audit can play in that improvement.

Most of the councils that had a BV audit in 2008/09 have submitted improvement plans, with the rest due in the first few months of 2009/10. Local audit reports published in October 2008 demonstrate that councils are continuing to make progress in implementing improvement plans, although the pace and scale of change varies. What is evident is that those councils best placed to deliver high quality, user-focused services, and to make a real difference to their communities, have a leadership culture which supports best value, including effective corporate systems and processes.

These principles, findings and the positive feedback received on the work so far, have provided sound foundations for developing the audit. We are now working under the direction of the Accounts Commission to develop Best Value 2 which will be introduced by January 2010.

### Case study

#### Hearing on the Best Value audit of Aberdeen City Council

In March 2008, the Accounts Commission considered the Controller of Audit's report which expressed doubt over whether the council leadership would be able to make the cultural and behavioural changes necessary for the council to achieve BV. A separate report on property sales identified serious shortcomings in internal control and monitoring procedures. Audit work had already highlighted a range of problems with corporate governance and evidence of significant weaknesses in major services. At the same time the council's financial position was described as 'precarious'.

The Accounts Commission decided to hold a public hearing in Aberdeen in May 2008, so that it could hear evidence firsthand and gain a greater understanding of the council's position and its difficulties.

Over the course of two days, the Controller of Audit and other Audit Scotland staff, the appointed auditors, elected members and senior officers, trade union and voluntary sector representatives gave evidence to a panel of Accounts Commission members. National and local journalists and other members of the public were also there.



In the findings issued a few weeks later, the Accounts Commission said Aberdeen City Council was facing extremely serious challenges and needed external support to help make the changes needed as it did not have the capacity to do this on its own. While the council was held to lack a full appreciation of the seriousness of the circumstances it faced, it did accept the findings and recommendations.

A number of changes have since taken place at Aberdeen City Council. A new chief executive has taken up post and has outlined plans to restructure the council.

We will produce a report on the council's progress in implementing BV in July 2009.

### Best Value 2

Over the past year, we have been helping the Accounts Commission to develop the successor to the initial BV audit.

In the spring of 2009, the Accounts Commission carried out a consultation on Best Value 2 (BV2). This included a written consultation and a series of meetings with councils and discussions with stakeholders, such as the Convention of Scottish Local Authorities (COSLA), Society of Local Authority Chief Executives and Senior Managers (SOLACE) and the Scottish Government.

The Accounts Commission will test its approach to BV2 through pathfinder audits over the late summer to winter of 2009 followed by the roll-out of BV2 from January 2010.

BV2 has been designed as the single corporate assessment framework for local government which, through shared risk assessment and joint scrutiny planning with colleagues in HM Inspectorate of Education (HMIE), Social Work Inspection Agency (SWIA), Scottish Housing Regulator, the Care Commission and HM Inspectorate of Constabulary for Scotland (HMICS), will contribute to the streamlining of local government scrutiny.

It will be based on the following principles:

- A stronger focus on outcomes as well as corporate performance management processes.
- A greater emphasis on community leadership as well as the effectiveness of partnership working.
- A stronger focus on the experience of citizens and service users.

- Improved coverage of service performance and the use of resources, including economy, efficiency and effectiveness.
- A more proportionate and risk-based audit approach, founded on self-assessment.
- Improved audit reporting and greater transparency of audit process.
- Improved support for improvement and sharing of good practice.

Self-evaluation and support for improvement will feature more strongly as part of BV2. This means that the size and type of audit applied in each council will depend on the risk associated with that council so not all audits will be the same. There will also be more emphasis on outcomes, the quality of local partnership working, sustainability and equality issues. The approach will also set out the ambition for making BV2 more relevant to local people and those who use and rely on council services.

The Accounts Commission has also initiated BV pilot work in Tayside Police and Northern Constabulary with HMICS. The audit and inspection approach will examine both the police authority and the force and will follow the same corporate assessment framework as BV2, ensuring consistent application of BV principles across sectors.

### Best Value audit in the NHS and central government

We have adopted a common framework for the audit of BV across the public sector. This enables us to take account of the different sizes, responsibilities and accountability arrangements of NHS and central government bodies.

The building blocks are already in place. These include annual audit reports based on key priorities and risks, national performance audit reports on specific services and thematic issues, and short Section 22 reports where the Auditor General wants to bring issues arising from the audit to the attention of Parliament.

Our stakeholders have made it clear that they wish Audit Scotland to do as much as possible to support improvements in efficiency and effectiveness and we intend to build this into the rolling-out of BV. We are developing audit toolkits to cover key BV principles, and these will be available for public bodies themselves to use as part of their approach to self-assessment. A number of these toolkits cover the use of resources theme, including, for example, financial management, efficiency and asset management.

Our approach takes account of developing work on the National Performance Framework and Scotland Performs. With this in mind, we are participating in a small reference group comprising representatives of the Scottish Government and central government bodies. The group will also ensure that work is taken forward in a way that recognises the diversity of central government bodies and the need for a proportionate approach.

Booklets outlining our approach to the audit of BV in the NHS and central government are available on our website.

## Changes to the scrutiny landscape

### Improving scrutiny in government

Following the publication of The Crerar Review of scrutiny in November 2007, the Scottish Government made a commitment to establish a simplified and coherent approach to the scrutiny of public bodies.

The government formed five teams to work on different areas, and Audit Scotland staff worked on four of these teams. Deputy Auditor General and Controller of Audit Caroline Gardner also sat on the Programme Board overseeing the work of the five teams, which have since made their recommendations to the government.

The government also gave the Accounts Commission a key role coordinating scrutiny in local government, and Audit Scotland has been heavily involved in supporting the Accounts Commission. The Controller of Audit provided the Cabinet Secretary for Finance with a progress report on this work in January 2009.

### Shared Risk Assessment

One of the main aspects of this has been the development of a shared risk assessment approach, in which scrutiny bodies jointly agree on the level of risk in a public body and the consequent scrutiny approach.

The Accounts Commission, along with representatives from HMIE, SWIA, the Care Commission, the Scottish Housing Regulator, HMICS and NHS Quality Improvement Scotland (NHS QIS), set out three priorities, to:

- develop a shared risk assessment
- develop a single corporate assessment
- improve the programming and scheduling of scrutiny work.

Since the start of 2009, considerable progress has been made on each of these priorities.

Five BV2 pathfinder sites and two further development sites have been identified where the shared risk assessment model will be tested over the summer to winter of 2009.

Once fully developed, BV2 will be used as the single corporate assessment and a joint schedule is now in place for all planned strategic scrutiny visits in 2009.

### Further supporting democratic scrutiny

#### Working with other countries

Audit Scotland is increasingly recognised by other countries for its work and this is reflected in the requests we get for assistance and visits from overseas organisations. Being a small organisation we have to balance this with our core audit work in Scotland. In 2008/09, we helped 15 organisations but turned down 12 other requests.

Our work with other countries focuses on the European Union, accession countries, the Balkan and the Baltic states, and nations on the periphery of the EU. We carry out this work in partnership with other audit agencies, particularly the UK National Audit Office (NAO) and the Swedish NAO.

We hosted several visits from overseas audit and parliamentary delegations. Those visitors from countries developing new public audit arrangements were keen to hear about the model in Scotland since devolution. We also learn from these visits, which can assist us in developing our own work. In the past 12 months we have welcomed visitors from Holland, Vietnam, China,

Ethiopia, Canada, Norway, South Africa, Jordan, Luxembourg and Sweden.

Audit Scotland staff have been involved in a number of capacity building projects overseas this year. We have provided experts to projects in Moldova, Jordan, Russia and Bosnia-Herzegovina. Some of these projects will continue into 2009/10.

We have produced a separate report on our work with other countries which is available on our website.

#### Public correspondence

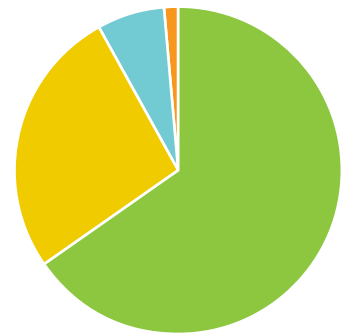
Audit Scotland receives enquiries from a wide range of people, raising issues of concern to them about public bodies. These can be wide-ranging and vary in financial value, significance and complexity. Where appropriate, we may conduct further audit work in response to such correspondence.

Following the introduction of a streamlined process for dealing with correspondence, we improved our performance on previous years. We met our target of acknowledging correspondence within ten working days in all cases. In 94.5 per cent of cases we met our target of providing a full response within one month of the date of acknowledgement.

This year, we received 235 items of correspondence, up from 216 in the previous year.

We also investigate any complaints made to us about how Audit Scotland staff have dealt with members of the public. In 2008/09, we received six such complaints, compared with two the previous year.

Correspondence received per sector



- Local government: 155
- Central government: 63
- Health: 16
- Further education: 1

Response times for correspondence			
	06/07	07/08	08/09
Number received	243*	216	235
Acknowledgements	97%	89%	100%
Full response	90%	74%	94.5%

\*We actually received 527 items of correspondence in that year on 243 topics, as 284 were pro-formas about two issues.

# Maximising the value of the audit

## Maximising the value of the audit

We strive to continuously improve the audits that we deliver. We do this by seeking feedback and comment from our stakeholders and by learning from the wide range of external organisations who have an interest in the work that we do. We also try to share our knowledge and expertise with others.

## Developing our corporate plan

In 2008, we consulted with public bodies, stakeholders and colleagues to inform the development of our new corporate plan. The consultation was carried out in recognition of the many changes to the public sector landscape and to ensure that our work evolves and adapts to those changes. The consultation sought feedback on three broad themes:

- The context in which audit will operate.
- Holding to account in the public sector and helping to improve performance.
- Ensuring Audit Scotland provides the maximum value from its work.

The consultation has been of immense value in shaping our new corporate priorities. A key message from our stakeholders has been that they would like us to continue to support both accountability and improvement. The detailed report on the consultation and our responses to it are on our website.

We published our *Corporate Plan 2009–12* in February 2009. This sets out our new corporate priorities for the time period covered, which are to:

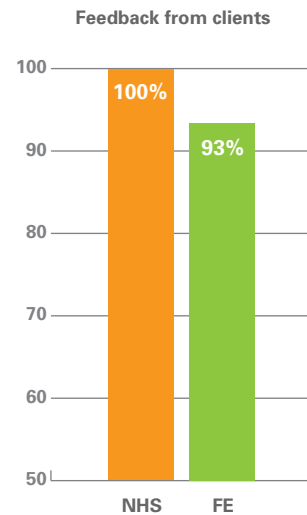
- deliver more streamlined audit in partnership with other scrutiny bodies
- maximise our contribution to the improvement of public services
- increase the impact of our work
- become a centre of excellence for public audit
- improve the transparency of our costs and governance arrangements.

## Delivering quality

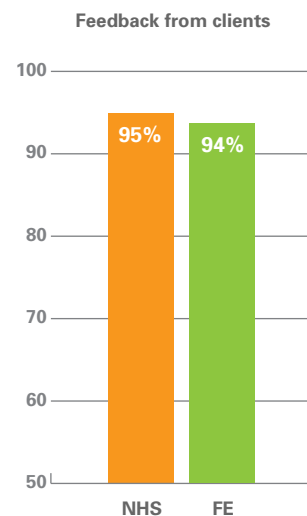
Our Audit Strategy Group regularly collects feedback from audited bodies to help us measure the quality of the audit and continue to drive up standards.

We asked all NHS bodies and Further Education (FE) colleges about the service our auditors provide. All NHS bodies said the audit had a positive impact and 95 per cent of respondents said their auditor provided a high-quality audit service. In the FE survey the outcomes were 93 per cent and 94 per cent respectively.

## Has the audit had a positive impact?



## Does the auditor provide a high-quality audit service?







We have now surveyed audited bodies across all three sectors over the past two years. We have found that across all bodies, 95 per cent believe the audit had a positive impact and 93 per cent said the auditor provided a high-quality service.

We also assess the ability of auditors to meet auditing standards. This year we found that all auditors had appropriate arrangements in place to meet the requirements of International Standards on Quality Control.

We remain committed to delivering a public audit service that is valued by clients, stakeholders and the general public. Our Audit Strategy Group is responsible for setting the standards expected of all public sector auditors through a Code of Audit Practice. Our audits follow rigorous project methodology and the process has several quality control stages. This is underpinned by a full quality monitoring programme and reviews. Lessons learned are reported back to all staff as part of annual update training sessions.

### Impact reporting

We now have a framework for assessing and reporting on the longer-term impact of our work, which will provide a wider picture of the value of audit.

We have identified four areas where we expect our work to have an impact and contribute to improvements:

- Assurance and accountability.
- Planning and management.
- Economy and efficiency.
- Effectiveness and quality.

During 2008/09, we consulted stakeholders on the framework and over 80 per cent agreed that these were the right areas to concentrate on.

We now routinely prepare impact reports, and summaries of these are published on our website. Impact reports have been prepared during the year on:

- The impact of the race equality duty on council services
- Dealing with offending by young people
- Sustainable waste management
- Improving the schools estate
- Overseas staff in the NHS
- Primary care out-of-hours services
- Managing long-term conditions
- A review of palliative care services in Scotland
- The First ScotRail passenger rail franchise
- A review of free personal and nursing care
- Improving energy efficiency
- A performance overview of sport in Scotland.

### Learning from and sharing knowledge with others

Presenting at external events and supporting groups and organisations helps us share our knowledge, increase the impact of our work and learn from those managing, delivering and using public services.

Audit Scotland staff presented at 66 seminars, conferences and training events, as well as to ten groups of overseas visitors to Audit Scotland. Last year we presented at 50 such events. We spoke, for example, at the Institute of Chartered Accountants of Scotland, NHS Counter Fraud Services and the CAPITA Governance in Scotland Conference 2008.

Our staff also served on 72 external bodies and working groups, an increase from 54 last year. Bodies included the Auditing Practices Board public sector subcommittee UK, the Financial Reporting Advisory Board and CIPFA's central government panel.

### Improving the quality of the audit through technical guidance

Audit Scotland supports ongoing improvement in accounting, financial reporting and auditing in the public sector through technical guidance and contributions to external seminars, conferences and working groups. Our expert guidance is extensively used and is widely valued by public bodies in Scotland.

During 2008/09, we published four bulletins summarising technical developments, seven notes giving in-depth guidance on specific matters, including four sector-specific notes on the audit of the 2008/09 annual accounts and three cross-sector notes and nine grant notes with guidance to local authority auditors on the audit of approved grant claims/returns.

During the year, we provided technical training on the new International Financial Reporting Standards to 130 staff, bringing the number of Audit Scotland staff now trained in the IFRS to 230.



# Building an effective and efficient organisation

## Developing our staff

We continue to provide training and support for our staff, in areas ranging from obtaining professional qualifications to technical training and specific skills updates.

Our staff received 12.2 days each, on average, of training and personal development during 2008/09, up from around nine last year. This increase primarily reflects our investment in and preparation for the introduction of new auditing standards, but we also provided training in areas such as information technology, freedom of information, recruitment and selection, and presenting skills.

We gave first-line management training to 54 managers, and 31 auditors and trainees worked towards ACCA and CIPFA qualifications.

In 2008/09, we completed a review and revised our competencies framework, the system that underpins our Personal Development Scheme (PDS) and staff appraisal process.

## Diversity and equality at Audit Scotland

We established a steering group and internal framework to support diversity and equality both within the organisation and in the work that we do.

We involved disabled people in the development of our corporate plan and forward work programme, through an event held in partnership with Capability Scotland. From this, we created an action plan which can be found on our website.

In November 2008, we published *The impact of the race equality duty on council services*, which received substantial media coverage and was downloaded more than 1,000 times from our website. We also expanded our own equality duties documents to cover age, sexual orientation, and religion and belief. We aim to publish a single, overarching equality scheme in 2009.

Our senior managers received training on applying and promoting principles of diversity and equality, while we also implemented the Scottish Government's equality impact assessment tool and developed training for our teams carrying out those assessments.



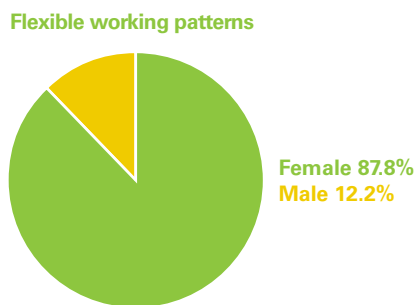
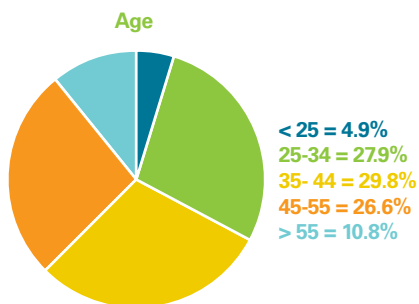
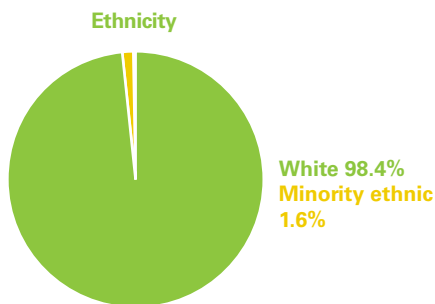
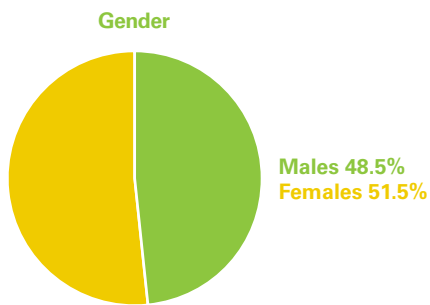
Tom Reid

### Tom Reid, CIPFA award winner

Central government auditor Tom Reid won the CIPFA Audit Scotland prize for the top student employed in public audit in the final CIPFA examinations.

“Our staff received 12.2 days each, on average, of training and personal development.”

Our demographic profile as of 31 March 2009 was:



**Case study**

**Miranda Alcock secondment**

I started a year’s secondment with HM Inspectorate of Constabulary in Scotland in October 2008, and it has been fascinating; the work is interesting, challenging and enjoyable.

In Audit Scotland, I had been the portfolio manager responsible for police and involved in public reporting studies for several years. So I welcomed the opportunity to learn more about operational policing and HMICS inspection methods.

I started my secondment working with the team carrying out the Independent Review of Policing, which gave me an insight into the range of issues facing police services. I had particular responsibility for looking at governance arrangements, a familiar area for an Audit Scotland employee.

Since then I have moved onto different areas of work, including reviewing forces’ progress against



Miranda Alcock

recommendations in HMICS reports. This covers a wide range of areas, such as police use of firearms and how forces deal with fraud, and it links with work I was involved in at Audit Scotland in measuring the impact of our reports.

I hope to build a better understanding between HMICS and Audit Scotland of our different approaches and how we can learn from each other and share good practice.

I have already arranged a few joint meetings, for example about Best Value, and some joint training of the team which will be involved in the pilot police Best Value audit and inspection that both bodies will undertake together later this year.

## Managing our resources

We ensure our business processes support efficient and effective working, and we continue to improve our financial management and reporting.

### Developing our business processes

We began implementing a new integrated HR and payroll system in 2008. The payroll element was completed early in 2009, with staff being paid through it for the first time in February.

We continued with our target for the payment of invoices within 30 days. We achieved 92 per cent within the target time, up from 88 per cent in 2007/08. We are reviewing the target for 2009/10.

Our Business Improvement Unit has been working on the procurement of an Electronic Audit Package. The main objective is to further improve audit quality but we also aim to achieve efficiency gains from this project. We have also been developing our management information across Audit Scotland, and on our audit approach and IT infrastructure. This work will continue during 2009/10.

An internal review of our use of resources found that our Audit Services Group's practices compared favourably to other audit agencies and firms in many areas. The review also made several recommendations for improvement, which we are now implementing.

We also reviewed our use of consultants. This project was completed alongside our public reporting team's report on central government's use of consultants, allowing us to compare ourselves with the bodies covered in that study. Our review found that mostly we follow good practice, but need to be more consistent in recording why we use consultants and why we choose particular approaches to procurement. We are working to improve our performance in both areas.

We began a review of our recruitment and selection of new employees. This included researching practices at other UK audit agencies, reviewing benchmark data from the Chartered Institute for Personnel & Development, getting feedback from our employees and doing an Equality Impact Assessment. We worked with Capability Scotland to get the views of disabled people on our recruitment processes and their experiences when applying for jobs.

We continue to manage and monitor sickness absence. This year sickness absence levels were on average 7.5 days per employee (compared with 8.11 days in 2007/08). This compares favourably with the public sector average of 9.8 days.

### Efficiency, effectiveness and best value

Audit Scotland is committed to exemplifying best practice in achieving efficiency, effectiveness and best value in everything we do.

Over the past two years, we have completed our audit work for less than the budgeted cost. This has allowed us to return £1 million to the bodies we audit through a fee rebate made in 2008/09. Fee increases (excluding the cost of additional work associated with the introduction of International Financial Reporting Standards) have averaged less than 2.1 per cent over the past three years.

Initiatives to improve our efficiency, effectiveness and best value in the past year have generated savings of £92,000. These savings have come from a new stationery and office supplies contract, replacement printers installed at the end of 2007/08 and a review of management in our Audit Services Group, which reduced staffing by one whole-time senior manager.

Annual recurring savings identified over the past three years now total £751,000.

During 2008/09, we implemented revised arrangements for offsite document storage, which are estimated to generate a £20,000 saving from 2009/10. We have also started reviewing our recruitment policies and procedures, our property maintenance arrangements and cleaning services.

We have set a target efficiency saving of £585,000 in 2009/10; this is 2.2 per cent of our overall budget, which exceeds the Scottish Government's target of two per cent. A working group is in charge of identifying opportunities for efficiencies, monitoring and reporting on our performance, and working with our business groups to identify further future savings. We have established an Efficiency Strategy to support this work.

**Internal audit of systems, processes and quality**

Audit Scotland’s audit committee met four times during the year. The audit committee is chaired by Accounts Commission deputy chair Isabelle Low, and our internal auditors are RSM Bentley Jennison.

During the year, the audit committee considered 11 internal audit reports from the internal auditors on:

- workforce and succession planning
- time recording system and business planning
- absence management
- corporate governance
- value for money strategy
- financial planning
- key financial systems
- project and quality management
- knowledge management
- strategic planning
- follow-up report on previous recommendations.

The internal auditors report their findings against three standards. The highest standard is ‘substantial assurance’, followed by ‘adequate assurance’ and ‘limited assurance’. Seventy per cent of the audits achieved substantial assurance and the remainder adequate assurance. We are working to implement the auditors’ recommended improvements to our systems and processes.

The auditors concluded that our arrangements for risk management, control and governance processes are positive in all areas.

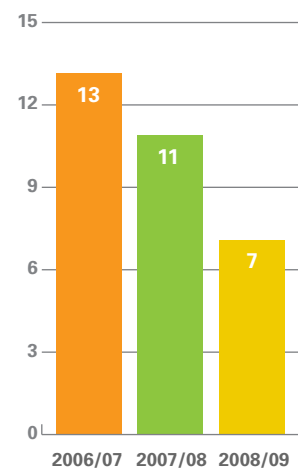
**Information regulations and legislation**

In 2008/09, we logged seven freedom of information requests that required consideration by an internal panel at Audit Scotland. There was one data subject access request under the Data Protection Act but no environmental information requests.

We recognise the value of openness and transparency and the potential public interest in the information we hold. A wide range of information is available through our publication scheme, details of which can also be found on our website.

We have improved the efficiency and effectiveness of the way we manage and handle information requests by extending the remit of our Freedom of Information Group to encompass the Environmental Information Regulations, the Reuse of Public Sector Information Regulations, and the Data Protection Act.

**FOI requests which required a panel decision**



### Sustainability

A review of our environmental strategy looked at Audit Scotland’s carbon footprint, and the results of this will become central to how we measure our own contribution to environmental sustainability. We estimate our CO<sup>2</sup> emissions to be 413 tonnes per year, and we have set an interim target of a one per cent reduction each year.

As part of the review, we surveyed staff about their awareness of our environmental work. We found that the majority of staff were aware of our environmental group and of our efforts to recycle, to cut paper and electricity use and to reduce travel.

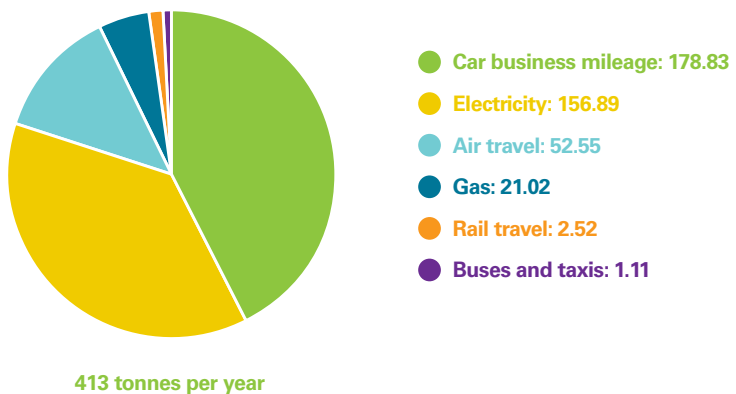
In the past two years, we have cut power use for printers by 60 per cent and our computer room by 47 per cent. New desktop hardware we have introduced will reduce desktop power by 62 per cent.

Video conferencing equipment is now installed at all our major offices. We will be able to report more fully on its use and consequent savings next year but we know that it has already resulted in a reduction in staff travel time and costs, with a positive knock-on effect on our environmental impact.

### Developing technology

We implemented new reporting systems to provide better quality information on business activities, and installed new desktop hardware to improve network performance and security. All our desktops and laptops have encrypted hard disks. We also implemented a redeveloped disaster recovery site.

**Audit Scotland’s carbon footprint (CO<sup>2</sup> tonnes)**





## Case study

### Website accessibility

Audit Scotland's website has achieved the Shaw Trust 'Accessible Plus' accreditation in recognition of its high level of accessibility. This is a standard we will strive to maintain.

A key aim for our redesigned website was ease of use for blind, deaf and other users with accessibility needs. In May 2008, web officer John Robertson visited the Shaw Trust to help us meet this goal. The trust is a national charity providing training and work opportunities for people who are disadvantaged due to disability, ill health or other social circumstances.

We wanted to get firsthand experience of how people with different disabilities used our site and their initial assessments of it. The trust gave the site a full technical audit, and among the testers were people with blindness, cerebral palsy, learning difficulties and poor eyesight, and mobility problems. The site was also tested for colour-blind users.



John Robertson

The overall response was that our site was accessible and worked well with assistive software. However, they gave us a full report including areas to improve, with suggested actions such as installing 'Browsealoud' software for blind users. By August 2008, we had made those improvements and the trust gave us the 'Accessible Plus' accreditation.

We are proud of getting this accreditation as it demonstrates our commitment to serving all Scotland's people.

To see Audit Scotland's full accessibility statement, go to [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) and click on the accessibility link.



# Our organisation

Audit Scotland staff are based at six sites around Scotland

## Our people

### Audit Scotland senior management

(from left to right)

#### Robert Black

Auditor General and Accountable Officer for Audit Scotland

Robert Black is the first Auditor General for Scotland and was appointed in 2000. He was previously Controller of Audit with the Accounts Commission and, in his earlier career, was chief executive of Tayside Regional Council and Stirling District Council. He has degrees in economics, planning and public policy, and honorary degrees from the University of Aberdeen and Queen Margaret University.



#### Caroline Gardner

Deputy Auditor General and Controller of Audit

Caroline Gardner was appointed Deputy Auditor General when Audit Scotland was formed in 2000, and became Controller of Audit in 2004. She previously worked for the Accounts Commission for Scotland, and the Audit Commission in England and Wales. She trained as a chartered public finance accountant with Wolverhampton MBC, and has an MBA from the University of Warwick.

#### Russell Frith

Director of Audit Strategy

Russell Frith was appointed director of Audit Strategy shortly after Audit Scotland was formed in 2000. He was previously director of Financial Audit in the National Audit Office in Edinburgh. Prior to that, he worked in the private sector in audit and corporate finance roles as well as being a finance director in the financial services sector. He qualified as a chartered accountant with KPMG.

#### Diane McGiffen

Director of Corporate Services

Diane McGiffen was appointed director of Corporate Services in 2000. She previously worked with the Accounts Commission, and before that worked in urban regeneration and local government. She has an MSc in social and public policy from the University of Edinburgh.

## Sector management



(from left to right)

### Audit Services

Our directors of Audit Services, **Fiona Kordiak** and **Lynn Bradley**, are responsible for the in-house audit services we provide to the health, central government and local government sectors, including the audit of financial statements, governance and performance management.

### Public Reporting

Our directors of Public Reporting, **Barbara Hurst** and **David Pia**, are responsible for investigating issues of public concern, and producing overview reports and performance studies across the health, central government and local government sectors and Best Value audits for local government.

### Fiona Kordiak

**Director of Audit Services  
(health and central government)**

Fiona Kordiak was appointed as director of Audit Services in 2007. She joined the Accounts Commission as a trainee in 1987, having previously worked as a finance trainee in the Scottish health service. She is a chartered public finance accountant and has an MA in history and sociology.

### David Pia

**Director of Public Reporting  
(local government)**

David Pia was appointed director of Public Reporting in 2003 after joining Audit Scotland from the Social Work Inspectorate of the former Scottish Executive in 2001. He worked for 15 years in a range of posts in central government and before that for 15 years in three local authorities in Scotland and England. He is a qualified social worker with Masters degrees from the Universities of Edinburgh and York.

### Barbara Hurst

**Director of Public Reporting  
(health and central government)**

Barbara Hurst was appointed director of Public Reporting in 2000 and has worked in audit for the past 16 years. Before that she worked in the public, private and voluntary sectors in a variety of roles, including teaching English as a foreign language, managing college library services, rape counselling, freelance consultancy and providing information services to national voluntary organisations. Barbara has an MSc (Econ) in social research methods from the University of Cardiff.

### Lynn Bradley

**Director of Audit Services  
(local government)**

Lynn Bradley joined Audit Scotland as director of Audit Services in 2005. She previously held senior posts in local government, consultancy and Scottish Homes. Lynn qualified as a chartered public finance accountant with the National Audit Office and as a chartered accountant with Ernst & Young.

# 293

whole-time equivalent staff  
employed on average during  
2008/09

Staff turnover was

# 4.77%

# 12.2

average number of training days

## Our governance

# Board



Our board oversees Audit Scotland's work. The board has an audit committee which appoints our internal auditors and receives our annual accounts and internal audit reports. The board met seven times during the year and the audit committee four times.

The board also has a remuneration committee which sets and reviews the salaries of senior staff (excluding the Auditor General for Scotland whose salary is set by the Scottish Parliamentary Corporate Body) and the main terms and conditions for all staff.

The board has agreed on a framework which sets out the principles and approach to ways of partnership working between the Auditor General for Scotland, the Accounts Commission and Audit Scotland. The framework is designed to ensure that the three parties work together in a way which enhances and maintains their integrity, individually and collectively, and will help deliver our vision for public audit. The framework recognises that each party depends on the others to deliver their statutory duties, but that their responsibilities and accountability arrangements are distinct.

(from left to right)

### **Robert Black**

See biography on page 27.

### **Caroline Gardner**

See biography on page 27.

### **Ronnie Cleland**

**Independent non-executive member**

Chair of Scottish practice of Odgers, Ray & Berndtson. Member of NHS Greater Glasgow and Clyde Board. Member of Scottish Police Complaints Commission's advisory panel. Non-executive advisor to Scottish Football Association. Member of Court of the University of Strathclyde. Former partner at Thomson Partners Ltd.

(Ronnie Cleland replaced Phil Taylor as the independent board member in October 2008).

### **Catherine Coull**

**Secretary to the Audit Scotland Board**

Also responsible for legal and procedural advice.

(as of 31 March 2009)

### **Isabelle Low**

**Deputy chair of Accounts Commission**

Former senior civil servant. Former member of the State Hospitals Board for Scotland, the Scottish Consumer Council and the Statistics Commission. Chair of Audit Scotland's Audit Committee.

### **John Baillie**

**Chair of the board and chair of Accounts Commission**

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

“The board has agreed on a framework which sets out the principles and approach to ways of partnership working between the Auditor General for Scotland, the Accounts Commission and Audit Scotland.”

**Accountability to Parliament**  
**Scottish Commission for**  
**Public Audit**

Audit Scotland is held to account through statutory arrangements put in place by the Scotland Act 1998 and through the Public Finance and Accountability (Scotland) Act 2000. The Scottish Commission for Public Audit (SCPA) is central to these arrangements. The SCPA is a committee of five MSPs that meets in public. It scrutinises our budget, annual report and accounts and appoints our external auditor, currently HW Chartered Accountants.

During the year, the SCPA considered a follow-up report from the external auditors on the economy, efficiency and effectiveness examination of Audit Scotland’s fees and charges.

Audit Scotland was pleased to enter into discussion this year with the SCPA about our governance arrangements, including the Audit Scotland Board. The government has now responded to the SCPA’s recommendations for strengthening our governance and we look forward to working with the SCPA to implement any changes resulting from the Public Services Reform Bill.

SCPA membership\*:

- Angela Constance (Convener)
- Robert Brown
- Derek Brownlee
- George Foulkes
- Hugh Henry

\*Correct as of 31 March 2009





# Our financial performance

## Financial summary

Audit Scotland is required to produce accounts for each financial year detailing the resources acquired, held or disposed of during the year and the way in which they were used. The Auditor General has been appointed as Accountable Officer and is responsible for the preparation of these accounts.

Audit Scotland's accounts are independently audited on behalf of the Scottish Commission for Public Audit (SPCA), which appointed HW Chartered Accountants to carry out the audit.

The full accounts and Audit Scotland's full management commentary are available on our website.

## A summary of income and expenditure

The task of auditing Scotland's public bodies has expanded greatly since 2000. In 2008/09, Audit Scotland spent £26.6 million on services for the Auditor General and the Accounts Commission; this is less than 0.1 per cent of the £31 billion spent by the bodies that are audited. The majority of these costs are recovered through charges to these organisations, with the balance received as direct funding from the Scottish Parliament.

### Sources of income

Most income is from charges to audited bodies and can be broken down as shown in the table on the following page.

### Analysis of expenditure

In 2008/09, 77 per cent of expenditure was spent on staff and fees to auditors. This compares with 79 per cent in the previous year.

Income	2008/09		2007/08	
	£000	% total	£000	% total
Fees paid by local authorities	12,330	63	12,578	62
Fees paid by health bodies	4,080	21	4,142	20
Fees paid by Scottish Water	192	1	181	1
Fees paid by further education colleges	529	3	528	3
Fees paid by Scottish Government & sponsored bodies	1,750	9	1,579	8
Bank interest	118	1	196	1
Miscellaneous	320	1	346	2
Other finance income (pensions)*	266	1	556	3
<b>Total</b>	<b>19,585</b>	<b>100</b>	<b>20,106</b>	<b>100</b>

\* Other finance income is comprised of income from expected returns on the local government pension scheme assets less the interest payable on the scheme liabilities.

Other revenue funding	2008/09		2007/08	
	£000 required	£000 available	£000 required	£000 available
Direct funding from Parliament	7,008	9,200	4,918	8,126

Expenditure	2008/09		2007/08	
	£000	% total	£000	% total
Staff and members' costs	14,390	54	13,927	56
Fees and expenses paid to appointed auditors	6,078	23	5,669	23
Buildings, rent and depreciation	2,241	8	1,871	7
Operating costs	3,884	15	3,557	14
<b>Total</b>	<b>26,593</b>	<b>100</b>	<b>25,024</b>	<b>100</b>

### Staff and members' costs

During the year, the average number of directly employed staff was 293 whole-time equivalents (278 in 2007/08 and 267 in 2006/07).

The number of staff whose salaries were over £75,000 was eight (eight in 2007/08).

	<b>Salary £000</b>
Auditor General	140 - 145
Deputy Auditor General	125 - 130
Director of Audit Strategy	90 - 95
Director of Corporate Services	85 - 90
Director of Public Reporting – Local Government	90 - 95
Director of Public Reporting – Health and Central Government	85 - 90
Director of Audit Services – Local Government	85 - 90
Director of Audit Services – Health and Central Government	80 - 85

The Accounts Commission Chair and members (all part-time) were remunerated as follows:

	<b>Banding £000</b>
Chair	35 - 40
Deputy chair	10 - 15
Commission members	0 - 10

During 2008/09, Ronnie Cleland replaced Phil Taylor as the independent non-executive member of the Audit Scotland Board. They each received remuneration in the £0 - £5,000 banding.



# Appendix

## Reports published in 2008/09

### Across-government reports

- Improving energy efficiency
- Drug and alcohol services in Scotland

### Central government reports

- Financial overview of Scotland's colleges
- A performance overview of sport in Scotland
- Managing increasing prisoner numbers
- Review of major capital projects (How government works series)
- The First ScotRail passenger rail franchise
- Central government's use of consultants (How government works series)

### NHS reports

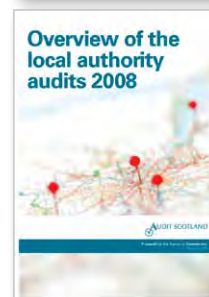
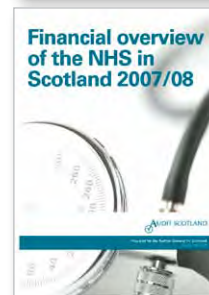
- A review of the new General Medical Services contract
- A review of palliative care services in Scotland
- Day surgery in Scotland: progress report
- Review of NHS diagnostic services
- Financial overview of the NHS in Scotland 2007/08
- Asset management in the NHS in Scotland

### Local government reports – Best Value audits

- Falkirk Council
- North Lanarkshire Council
- Aberdeen City Council
- Orkney Islands Council
- Midlothian Council
- Aberdeenshire Council
- Perth & Kinross Council
- Argyll & Bute Council: progress report
- Inverclyde Council: progress report
- The Moray Council: progress report
- South Lanarkshire
- Fife Council
- Dumfries & Galloway Council

### Other local government reports

- Scottish fire and rescue authorities 2007/08: progress report
- The impact of the race equality duty on council services
- Overview of local authority audits 2008



### Section 22 reports

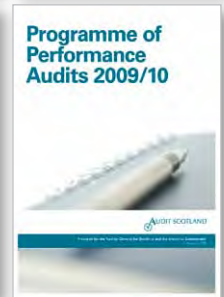
- The 2006/07 audit of James Watt College
- The 2006/07 audit of Kilmarnock College
- The 2007/08 audit of Western Isles Health Board
- The 2007/08 audit of Highlands and Islands Enterprise
- The 2007/08 audit of VisitScotland
- The 2006/07 audit of the Queen's and Lord Treasurer's Remembrancer
- The 2007/08 audit of the Queen's and Lord Treasurer's Remembrancer

### Local government statutory reports

- Aberdeen City Council: Property sales investigation
- Shetland Islands Council: Annual Audit 2007/08
- Aberdeen City Council: Annual Audit 2007/08

### Other publications

- National Fraud Initiative in Scotland
- Accounts Commission annual report 2007/08
- Audit Scotland annual report 2007/08
- Health and Community Care bulletin
- Priorities and Risks Framework: A national planning tool for 2008/09 NHS Scotland audits
- Priorities and Risks Framework: 2008/09 national audit planning tool for local government
- Programme of performance audits 2009/10
- Audit Scotland Corporate Plan 2009–12





# Audit Scotland Annual Report 08/09

Holding to account and helping to improve

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