

## Accounts Commission for Scotland

### Agenda

**Meeting on Thursday 16 June 2011,  
in the offices of Audit Scotland, 18 George Street, Edinburgh  
The meeting will begin at 10:00 am**

1. **Apologies for absence**
2. **Declarations of interest**
3. **Decisions on taking business in private:** The Commission will consider whether to take items 12, 13, 14 and 15 in private.
4. **Minutes of meeting of 19 May 2011**
5. **Minutes of meeting of the Financial Audit and Assurance Committee of 12 May 2011**
6. **Chair's introduction:** The Chair will report on recent activity and issues of interest to the Commission.
7. **Update report by the Controller of Audit:** The Commission will consider a report on significant recent activity in relation to the audit of local government.
8. **Annual report on audit quality 2010/11:** The Commission will consider a report summarising the arrangements for maintaining high quality audit work.
9. **North Ayrshire Council Best Value audit:** The Commission will consider a note of the follow-up meeting with North Ayrshire Council.
10. **Accounts Commission digest:** The Commission will consider any points that arise from its regular briefing on current issues.
11. **Strathclyde Police and Strathclyde Police Authority - Best Value Audit and Inspection:** The Commission will consider a joint report by the Controller of Audit and Her Majesty's Inspectorate of Constabulary for Scotland.
12. **Strathclyde Police and Strathclyde Police Authority - Best Value Audit and Inspection:** The Commission will consider the action it wishes to take on the report.
13. **Performance audit on Scotland's public finances:** The Commission will consider a draft report.
14. **Performance audit programme:** The Commission will consider a report on the programme of performance audits.
15. **Equality and diversity review report:** The Commission will consider a draft report on progress on its Single Equality Scheme.

The following papers are enclosed for this meeting:

Agenda Item	Paper number
<b>Agenda Item 4:</b> Minutes of the meeting of the Commission of 19 May 2011	AC.2011.6.1
<b>Agenda Item 5:</b> Minutes of the meeting of the Financial Audit and Assurance Committee of 12 May 2011	AC.2011.6.2
<b>Agenda Item 7:</b> Update report by the Controller of Audit	AC.2011.6.3
<b>Agenda Item 8:</b> Report by the Assistant Auditor General  Annual report on audit quality 2010/11	AC.2011.6.4  AC.2011.6.5
<b>Agenda Item 9:</b> Note of meeting with representatives of North Ayrshire Council	AC.2011.6.6
<b>Agenda Item 10:</b> Accounts Commission digest for May 2011	AC.2011.6.7
<b>Agenda Item 11:</b> Note by Acting Secretary & Business Manager  Joint BV Audit and Inspection Report on Strathclyde Joint Board and Force	AC.2011.6.8  AC.2011.6.9
<b>Agenda Item 13:</b> Report by the Director of Performance Audit (PRIVATE PAPER – For members only)  Draft performance audit report (PRIVATE PAPER – For members only)	AC.2011.6.10  AC.2011.6.11
<b>Agenda Item 14:</b> Report by the Director of Performance Audit (PRIVATE PAPER – For members only)	AC.2011.6.12
<b>Agenda Item 15:</b> Report by the Director of Performance Audit (PRIVATE PAPER – For members only)  Draft report (PRIVATE PAPER – For members only)	AC.2011.6.13  AC.2011.6.14

**ACCOUNTS COMMISSION**

**MEETING 16 JUNE 2011**

**MINUTES OF PREVIOUS MEETING – 19 MAY 2011**

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Minutes of the meeting of the Accounts Commission  
held in the offices of Audit Scotland at  
18 George Street, Edinburgh, on  
Thursday, 19 May 2011, at 10am

**PRESENT:** John Baillie (Chair)  
Michael Ash  
Alan Campbell  
Sandy Cumming  
Colin Duncan  
James King  
Christine May  
Bill McQueen  
Colin Peebles  
Linda Pollock  
Graham Sharp  
Douglas Sinclair (Deputy Chair)

**IN ATTENDANCE:** Fraser McKinlay, Controller of Audit and Director of Best Value and  
Scrutiny Improvement (BVSİ)  
Fiona Kordiak, Director of Audit Services  
Gordon Smail, Acting Secretary & Business Manager  
Russell Frith, Assistant Auditor General [Items 8 and 9]  
Dave Beveridge, Senior Manager, Audit Strategy [Items 8 and 9]  
Carol Calder, Portfolio Manager, BVSİ [Item 10]  
Fiona McCall, Communications Officer [Item 12]  
Martin Walker, Assistant Director, BVSİ [Item 14]  
Peter Worsdale, Project Manager, BVSİ [Item 14]  
Lynn Russell, Project Officer, BVSİ [Item 14]  
Barbara Hurst, Director of Performance Audit Group (PAG) [Item 15]  
Angela Canning, Assistant Director, PAG [Item 15]  
Claire Sweeney, Portfolio Manager, PAG [Item 15]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 14 April 2011
5.	Minutes of the Performance Audit Committee of 7 April 2011
6.	Chair's introduction
7.	Update report by the Controller of Audit
8.	Appointment of auditors for 2011/12 to 2015/16
9.	Audit certificates
10.	National Scrutiny Plan for Local Government 2011/12
11.	Accounts Commission Digest
12.	Accounts Commission Annual Report
13.	Accounts Commission strategy seminar
14.	'How Councils Work' report on Arm's-length external organisations (ALEOs)
15.	Performance audit on Transport for Health and Social Care

1. Apologies for absence

There were no apologies.

2. Declarations of interest

No declarations of interest were made.

3. Decisions on taking business in private

The Commission agreed to take items 12 and 13 in private to allow discussion on its draft annual report which will be published in June (Item 12) and in relation to the Commission's annual strategy event (Item 13). The Commission also agreed to take items 14 and 15 in private to allow deliberations on draft audit reports.

4. Minutes of meeting of 14 April 2011

The minutes of the meeting of 14 April 2011 were submitted and approved.

5. Minutes of the Performance Audit Committee of 7 April 2011

The Commission noted the minutes of the meeting of the Performance Audit Committee of 7 April 2011.

6. Chair's introduction

The Chair reported that:

- Mark Brough has completed his secondment with Audit Scotland. The Commission will thank Mark for his excellent contribution as Secretary & Business Manager following the June meeting. Gordon Smal is covering the role in the interim.
- along with Colin Peebles and Graham Sharp, he had attended a meeting with North Ayrshire Council on 18 May to discuss the recent Best Value audit. A note of the meeting will be tabled at the June meeting.
- he and the Deputy Chair were meeting SOLACE to discuss its benchmarking project and related issues that afternoon.
- Mike Ash will represent the Commission at the forthcoming ACPOS conference.

7. Update report by the Controller of Audit

The Commission considered and noted a report by the Controller of Audit providing an update on recent activity in relation to the audit of local government.

During discussion the Commission:

- noted that the Shetland Charitable Trust has published a Counsel's Opinion on the constitution of the Trust.
- noted that The Highland Council is to terminate the Caithness Heat and Power project and that it would receive a further report from the Controller of Audit in due course.
- noted further developments in relation to the Edinburgh trams project and that the local audit team is monitoring developments
- noted that correspondence had been received regarding publicity expenditure incurred by Glasgow City Council.

8. Appointment of Auditors for 2011/12 – 2015/16

The Commission considered a report by the Assistant Auditor General seeking formal approval of the local government audit appointments.

Following discussion, the Commission agreed:

- to approve the final allocation of local government audits
- to note that Audit Scotland will now proceed with the final steps in the tender and appointment process.

In concluding this item, the Commission noted that this was Dave Beveridge's last attendance at a Commission meeting before taking early retirement. Dave has worked for the Accounts Commission then Audit Scotland for a total of 36 years. The Commission acknowledged Dave's substantial and excellent contribution to the Commission's work over that period and wished him well for the future.

9. Audit certificates

The Commission considered a report by the Assistant Auditor General seeking approval to the revised form of Auditor's Report for local government bodies and the new Auditor's Report for local authority pension funds.

In discussion, the Commission sought clarification on the structure of the wording in the final paragraphs of the Audit Reports headed 'Matters on which I am required to report by exception'. The Assistant Auditor General undertook to review the matter.

Thereafter, the Commission agreed to approve the model audit reports for local authorities and local authority pension funds as set out in the appendices to the report.

10. National Scrutiny Plan for Local Government 2011/12

The Commission considered a report from the Director of Best Value and Scrutiny Improvement introducing the National Scrutiny Plan for Local Government 2011/12 and the associated commentary report on findings and implications this year.

During discussion, the Commission sought clarification from the Director of Best Value and Scrutiny Improvement and the team on a number of points in the commentary. Thereafter the Commission agreed to endorse the plan and commentary report.

11. Accounts Commission Digest

The Commission considered and noted its regular briefing on current issues, and sought further information on a number of points.

12. Accounts Commission Annual Report (In private)

The Commission reviewed and commented on the draft text for its Annual Report 2010/11. In discussion, the Commission identified issues requiring greater emphasis and other improvements.

13. Accounts Commission strategy seminar (In private)

The Commission considered a summary of the main points from its strategy event in March and agreed to carry this forward for further discussion at its meeting in June.

14. Arm's-length external organisations (ALEOs) (In private)

The Commission considered a report by the Director of Best Value and Scrutiny Improvement inviting it to consider and approve the draft 'How Councils Work' report '*Arm's-length external organisations: are you getting it right?*'. The Director's report also invited the Commission to consider options for promoting the report

The Commission approved the draft report for publication, subject to consideration being given to a number of points raised in discussion. The Commission also considered options for promoting the report's key messages following its publication.

15. Performance audit on Transport for Health and Social Care (In private)

The Commission considered a report by the Director of Performance Audit inviting it to consider and approve the draft performance audit report on '*Transport for health and social care*', prepared on behalf of the Commission and the Auditor General.

The Commission approved the draft report for publication, subject to consideration being given to a number of points raised in discussion, and agreed that the key messages should be finalised accordingly.

**ACCOUNTS COMMISSION**

**MEETING 16 JUNE 2011**

**MINUTES OF FINANCIAL AUDIT AND ASSURANCE COMMITTEE**

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Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 12 May 2011, at 10.30am.

**PRESENT:** Bill McQueen (Chair)  
Sandy Cumming  
Colin Duncan  
Linda Pollock  
Graham Sharp

**IN ATTENDANCE:** Fraser McKinlay, Director, Best Value and Scrutiny Improvement  
Russell Frith, Assistant Auditor General  
Peter Tait, Assistant Director, Audit Services  
Gillian Woolman, Assistant Director, Audit Services  
Gordon Smail, Acting Secretary and Business Manager

1. Apologies
2. Declarations of interest
3. Minutes of meeting of 10 February 2011
4. An overview of local government in Scotland 2011 – impact report
5. Current audit issues in councils
6. Any other business

1. Apologies

Apologies were received from John Baillie and Douglas Sinclair.

2. Declarations of interest

No declarations of interest were made.

3. Minutes of meeting of 10 February 2011

The minutes of the meeting of 10 February 2011 were approved.

4. An overview of local government in Scotland 2010 – impact report

The Committee considered a report by the Director of Best Value and Scrutiny Improvement providing further information on the impact of the 2010 local government overview report.

The Committee received a verbal update on the download statistics. By 30 April, the report had been downloaded 2,183 times since publication, compared with 1,813 in the equivalent period last year. The podcast had been downloaded 18 times, compared with 37 last year. This was the first year that underlying financial information had been made available on the website and, by 30 April, the information had been downloaded 206 times.

The Committee welcomed the increase in the profile of the overview report in councils. It noted that this was likely to be attributed to earlier publication of the report and a shift in the content of the report to focus on the financial position and the challenges for the future.

During discussion the Committee noted that the information about individual councils reflected the position at a point in time and that further follow-up work was planned. The Committee requested further information at its next meeting about the small number of cases where information suggested limited use of the overview report.

5. Current audit issues in councils

The Committee considered a report by the Director of Audit Services on current audit issues in councils.

During discussion, the Committee noted the following issues and agreed that these should be drawn to the attention of the Commission:

- Councils are continuing to reduce staffing levels and auditors are reviewing local voluntary early retirement schemes.
- There remains a risk of further equal pay claims as a consequence of the implementation of single status and court judgements.
- The requirement for local authorities to prepare remuneration reports as part of their annual accounts from 2010/11 may provide opportunities to collate and compare overall information.
- There are potential risks associated with the turnover of senior staff in councils, with potential implications for systems of internal control. This reinforces the importance of the section 95 proper officer for finance role, the role of the monitoring officer and the role of internal audit.
- A recent increase in the number of investigations and concerns over conduct further illustrates the importance of sound internal control systems and effective internal audit.



6. Any other business

There was no other business.

**ACCOUNTS COMMISSION**

**MEETING 16 JUNE 2011**

**REPORT BY THE CONTROLLER OF AUDIT**

**UPDATE REPORT**

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**Introduction**

1. The purpose of this regular report is to provide an update to the Commission on significant recent activity in relation to the audit of local government.
2. It is intended to complement the intelligence reports to the Financial Audit and Assurance Committee, which provide a more detailed update on issues arising in local government. The most recent such report was at the Committee meeting of 12 May.

**Local government issues**

3. The Shared Risk Assessment (SRA) process for this year is complete and the National Scrutiny Plan and an Assurance and Improvement Plan for each of the 32 councils were published on 26 May 2011.
4. Following the Commission's discussion in May about the Best Value Audit work arising from the Shared Risk Assessment process, I am looking at the arrangements to ensure that Commission members have assurance on the coverage of the proposed audit work. I plan to bring proposals forward to the Commission in July.
5. We made submissions to the consultations on the future of policing (response by Accounts Commission, Auditor General and Audit Scotland) and of fire and rescue services (response by Accounts Commission). These are available on the website.
6. During May the Chief Executive, Richard Jeffries and 4 non-executive Board members of tie Limited, the subsidiary of City of Edinburgh Council charged with constructing the tram infrastructure, left the company. The future of the Trams project will be decided at a council meeting on 30 June.
7. Members will be aware that investigations are currently underway in a number of councils. These include; Aberdeen City, Edinburgh City Council, and Inverclyde Council. The local audit teams are monitoring the progress of these closely. Five employees from South Ayrshire Council's waste management service have been dismissed following an investigation into breaches of Council policies and procedures.
8. The Cabinet Secretary for Education and Lifelong Learning has announced he is to set up a Commission on the Delivery of Rural Education to consider the provision of education in rural communities. He is also reviewing the operation of the Schools (Consultation) (Scotland) Act 2010, which includes a clear legislative presumption against the closure of such schools and the need for educational benefits to be the driving force in any proposed closure. Scottish local authorities have been asked not to progress or bring forward new proposals to close any rural schools until June 2012.

9. On 13 May the Highland Council announced the Caithness Heat and Power project was to be terminated. This was on the basis that the contractor was not able to achieve the conditions required for concluding an agreement and the Council, supported by the directors of CHAP, agreed to terminate the procurement process and not to award a contract. The council's financial commitment to the project, including provisions, up to April 2011 was approximately £14.400 million. At this stage it is not possible to confirm what the final financial commitment will be for the council due to uncertainties surrounding some legal issues, potential receipts on sale of assets and the additional cost to re-instate domestic heating and water systems to 242 homes in Wick. The council has estimated the cost of the restatement at £1.6M.

### **Parliamentary news**

10. The new parliamentary session began on the 11 May. There were 48 new MSPs 23 of who have a local government background.
11. A full listing of the committee members is attached as appendix 1, the convenors and vice convenors will be agreed at the first meeting of each committee.

### **Other issues**

### **12. Conclusion**

13. The Commission is invited to consider and note this report.

**Fraser McKinlay**  
**Controller of Audit**  
**08 June 2011**

## Membership of Scottish Parliament Committees

<p><b>Public Audit Committee</b>  George Adam (Paisley) (SNP)  Colin Beattie (Midlothian North &amp; Musselburgh) (SNP)  Willie Coffey (Kilmarnock &amp; Irvine Valley) (SNP)  Murdo Fraser (Mid Scotland &amp; Fife) (Con)  Hugh Henry (Renfrewshire South) (Lab)  Mark McDonald (North East Scotland) (SNP)  Tavish Scott (Shetland) (LD)  Drew Smith (Glasgow) (Lab)  Humza Yousaf (Glasgow) (SNP)</p>	<p><b>Local Government and Regeneration Committee</b>  Ruth Davidson (Glasgow) (Con)  Kezia Dugdale (Lothian) (Lab)  Joe FitzPatrick (Dundee City West) (SNP)  Mark Griffin (Central Scotland) (Lab)  Kevin Stewart (Aberdeen Central) (SNP)  David Torrance (Kirkcaldy) (SNP)  Bill Walker (Dunfermline) (SNP)</p>
<p><b>Finance Committee</b>  Kenneth Gibson (Cunninghame North) (SNP)  Alex Johnstone (North East Scotland) (Con)  Derek Mackay (Renfrewshire North &amp; West) (SNP)  John Mason (Glasgow Shettleston) (SNP)  Margaret Mitchell (Central Scotland) (Con)  John Pentland (Motherwell &amp; Wishaw) (Lab)  Paul Wheelhouse (South Scotland) (SNP)</p>	<p><b>Education and Culture Committee:</b>  Clare Adamson (Central Scotland) (SNP)  Claire Baker (Mid Scotland &amp; Fife) (Lab)  Marco Biagi (Edinburgh Central) (SNP)  Jenny Marra (North East Scotland) (Lab)  Stewart Maxwell (West Scotland) (SNP)  Joan McAlpine (South Scotland) (SNP)  Liam McArthur (Orkney) (LD)  Elizabeth Smith (Mid Scotland &amp; Fife) (Con)  Jean Urquhart (Highlands &amp; Islands) (SNP)</p>
<p><b>Economy, Energy and Tourism Committee</b>  Chic Brodie (South Scotland) (SNP)  Gavin Brown (Lothian) (Con)  Rhoda Grant (Highlands &amp; Islands) (Lab)  Patrick Harvie (Glasgow) (Green)  Angus MacDonald (Falkirk East) (SNP)  Mike MacKenzie (Highlands &amp; Islands) (SNP)  Stuart McMillan (West Scotland) (SNP)  Anne McTaggart (Glasgow) (Lab)  John Wilson (Central Scotland) (SNP)</p>	<p><b>Infrastructure and Capital Investment Committee:</b>  Jackson Carlaw (West Scotland) (Con)  Malcolm Chisholm (Edinburgh Northern &amp; Leith) (Lab)  Neil Findlay (Lothian) (Lab)  Jamie Hepburn (Cumbernauld &amp; Kilsyth) (SNP)  Adam Ingram (Carrick, Cumnock &amp; Doon Valley) (SNP)  Gordon MacDonald (Edinburgh Pentlands) (SNP)  Maureen Watt (Aberdeen South &amp; North Kincardine) (SNP)</p>
<p><b>Justice Committee</b>  Roderick Campbell (North East Fife) (SNP)  John Finnie (Highlands &amp; Islands) (SNP)  Christine Grahame (Midlothian South, Tweeddale &amp; Lauderdale) (SNP)  Colin Keir (Edinburgh Western) (SNP)  James Kelly (Rutherglen) (Lab)  John Lamont (Ettrick, Roxburgh &amp; Berwickshire) (Con)  Alison McInnes (North East Scotland) (LD)  Graeme Pearson (South Scotland) (Lab)  Humza Yousaf (Glasgow) (SNP)</p>	<p><b>Rural Affairs, Climate Change and Environment Committee</b>  Graeme Dey (Angus South) (SNP)  Annabelle Ewing (Mid Scotland &amp; Fife) (SNP)  Alex Fergusson (Galloway &amp; East Dumfries) (Con)  Rob Gibson (Caithness, Sutherland &amp; Ross) (SNP)  Jim Hume (South Scotland) (LD)  Jenny Marra (North East Scotland) (Lab)  Mark McDonald (North East Scotland) (SNP)  Aileen McLeod (South Scotland) (SNP)  Elaine Murray (Dumfriesshire) (Lab)</p>

<p><b>Health and Sport Committee:</b>  Bob Doris (Glasgow) (SNP)  Jim Eadie (Edinburgh Southern) (SNP)  Mary Fee (West Scotland) (Lab)  Richard Lyle (Central Scotland) (SNP)  Fiona McLeod (Strathkelvin &amp; Bearsden) (SNP)  Duncan McNeil (Greenock &amp; Inverclyde) (Lab)  Gil Paterson (Clydebank &amp; Milngavie) (SNP)  Mary Scanlon (Highlands &amp; Islands) (Con)  Richard Simpson (Mid Scotland &amp; Fife) (Lab)</p>	<p><b>Equal Opportunities Committee</b>  Clare Adamson (Central Scotland) (SNP)  Claudia Beamish (South Scotland) (Lab)  John Finnie (Highlands &amp; Islands) (SNP)  Siobhan McMahon (Central Scotland) (Lab)  Margaret Mitchell (Central Scotland) (Con)  Dennis Robertson (Aberdeenshire West) (SNP)</p>
<p><b>Standards, Procedures and Public Appointments Committee</b>  Margaret Burgess (Cunninghame South) (SNP)  Bob Doris (Glasgow) (SNP)  Helen Eadie (Cowdenbeath) (Lab)  Margaret Mitchell (Central Scotland) (Con)  Nanette Milne (North East Scotland) (Con)  Dave Thompson (Skye, Lochaber &amp; Badenoch) (SNP)  Paul Wheelhouse (South Scotland) (SNP)</p>	<p><b>European and External Relations Committee</b>  Helen Eadie (Cowdenbeath) (Lab)  Annabelle Ewing (Mid Scotland &amp; Fife) (SNP)  Bill Kidd (Glasgow Anniesland) (SNP)  Hanzala Malik (Glasgow) (Lab)  Jamie McGrigor (Highlands &amp; Islands) (Con)  Christina McKelvie (Hamilton, Larkhall &amp; Stonehouse) (SNP)  Aileen McLeod (South Scotland) (SNP)</p>
<p><b>Subordinate Legislation Committee</b>  Chic Brodie (South Scotland) (SNP)  Nigel Don (Angus North &amp; Mearns) (SNP)  James Dornan (Glasgow Cathcart) (SNP)  Kezia Dugdale (Lothian) (Lab)  Mike MacKenzie (Highlands &amp; Islands) (SNP)  John Scott (Ayr) (Con)  Drew Smith (Glasgow) (Lab)</p>	<p><b>Public Petitions Committee</b>  Neil Bibby (West Scotland) (Lab)  Richard Lyle (Central Scotland) (SNP)  Nanette Milne (North East Scotland) (Con)  David Stewart (Highlands &amp; Islands) (Lab)  Bill Walker (Dunfermline) (SNP)  Sandra White (Glasgow Kelvin) (SNP)  John Wilson (Central Scotland) (SNP)</p>

## **ACCOUNTS COMMISSION**

**TITLE: 2010/11 QUALITY REPORT**

**FROM: ASSISTANT AUDITOR GENERAL**

**MEETING: 16 JUNE 2011**

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### **1. Purpose of Report**

- 1.1. The attached report summarises the arrangements in place for maintaining a high quality of work, both by Audit Scotland and the appointed firms, for the services provided to the Auditor General and the Accounts Commission. The Accounts Commission is asked to note the report and offer suggestions for further development of these reports.

### **2. Background**

- 2.1. This is the second annual quality report prepared under Audit Scotland's corporate quality framework.
- 2.2. The governance role carried out by the Board/Audit Committee in relation to quality is important in Audit Scotland providing assurance to the Auditor General and the Accounts Commission on the quality of work of Audit Scotland staff and firms of appointed auditors.
- 2.3. The report has been considered by the Audit Committee and is now provided to the Accounts Commission in their roles as commissioners of work from Audit Scotland.

### **3. Key Points**

- 3.1. The report summarises the arrangements in place in each business group to ensure quality work is produced, developments in those arrangements and a summary of quality monitoring and appraisal work carried out during the year.
- 3.2. ASG has completed the refresh of the Audit Guide in line with clarified ISAs and fully rolled out its electronic working paper system, MK Insight. ASG has also refreshed the memberships of the Quality Monitoring Team and Professional Standards Group.
- 3.3. Audit Strategy has overseen the completion of an action plan to respond to the corporate assessment carried out by Deloitte in 2010. ASG has completed all but one of the actions for which it is responsible, and Audit Strategy is responsible for a small number of actions remaining. ASG and Audit Strategy are currently working on how to make external scrutiny a regular part of the quality arrangements.
- 3.4. PAG formalised arrangements with the National Audit Office (NAO), Wales Audit Office (WAO) and Northern Ireland Audit Office (NIAO) to carry out reviews of completed reports along with reciprocal arrangements. PAG received feedback on two audits under these arrangements in the year. The findings

were positive, noting in particular the findings, conclusions and robustness of the reports. The format of the reports was identified as an area where there is scope for improvement.

- 3.5. PAG introduced a Performance Audit Improvement and Development function (PAID) in April 2010. PAID is responsible for coordinating PAG's quality and process improvement activity and during 2010/11 led or coordinated work on a number of projects relating to quality improvement.
- 3.6. IPSOS MORI carried out three independent evaluations during 2010. These covered the SRA process, the BV audit and the joint BV audit and inspection of joint police boards and forces. The findings from these evaluations resulted in refinements to the risk assessment, audit and inspection processes.
- 3.7. BVSIG set up a development project in 2010 to review and consolidate the quality assurance processes which cover the wide range of work carried out by the group, including the thematic 'How Councils Work' reports and reports made under Section 102 of the 1973 Local Government (Scotland) Act, into an overarching framework.
- 3.8. Audit Strategy has carried out its programme of quality appraisal activities, and has found that the quality of audit work continues to be high. Where weaknesses have been identified, these have been brought to the attention of the relevant auditor.

#### **4. Conclusions**

- 4.1. Overall, on the basis of the arrangements in place and activity for the year, it is reasonable to conclude that Audit Scotland and the private firms continue to provide the Auditor General and the Accounts Commission with high quality work.
- 4.2. The report shows that arrangements across ASG, PAG and BVSIG are continuing to develop, with significant effort on obtaining regular external, independent appraisal of their work.
- 4.3. All auditors demonstrate a willingness for continuous improvement through objective review of their work, and commitments to make improvements where any reviews show a need.

#### **5. Recommendation**

- 5.1. The Accounts Commission is asked to:
  - note the contents of the report
  - offer suggestions for further development of the report.

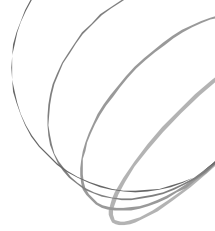
# 2010/11 Quality Report

**Report on the quality arrangements in Audit Scotland for the  
year ending 31 March 2011**



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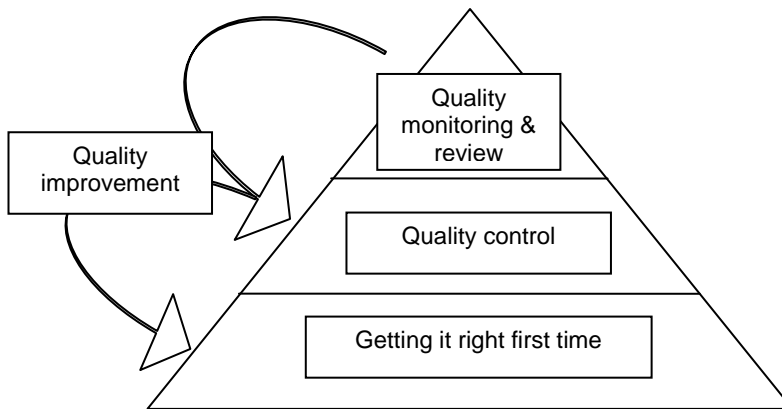


# Introduction

1. On behalf of the Auditor General for Scotland and the Accounts Commission, Audit Scotland carries out financial and performance audits of various aspects of how public bodies work. The Auditor General and Accounts Commission also appoint external auditors from private firms of auditors, primarily for financial audit work.
2. Audit Scotland's corporate quality framework was revised during 2009 and includes a requirement for an annual report. This is the second such report produced under the framework. The report summarises the arrangements in place for maintaining a high quality of work, both by Audit Scotland and the appointed firms, for the services provided to the Auditor General and the Accounts Commission.
3. This report is prepared for Audit Scotland's Audit Committee as part of their overall assurance on internal controls and for the Accounts Commission and Auditor General to provide assurance to them as commissioners of audit work.
4. The Auditor General oversees the audits of most public bodies in Scotland (except local authorities). He can also decide to carry out performance audits of particular organisations, sectors or issues. The Accounts Commission arranges the audits of councils and police and fire and rescue boards and is responsible for the Best Value audit of local authorities. It also carries out performance audits.
5. The work undertaken covers over 200 organisations including:
  - 75 central government bodies (Scottish Government, non-departmental public bodies and others)
  - 23 NHS bodies
  - 32 councils
  - 45 joint boards and committees (including police and fire and rescue services)
  - 37 further education colleges
  - Scottish Water.
6. Appointed auditors (including staff of Audit Scotland) are required to follow Audit Scotland's Code of Audit Practice. The Code explains how auditors should carry out their functions under the Public Finance and Accountability (Scotland) Act 2000 or the Local Government (Scotland) Act 1973. A revised Code was approved in March 2011 to apply to the new round of audit appointments for 2011/12 to 2015/16.
7. Audit Scotland's Audit Strategy group is responsible for maintaining the corporate quality framework, oversight of the arrangements in place across Audit Scotland and preparing this report.

# Quality Arrangements

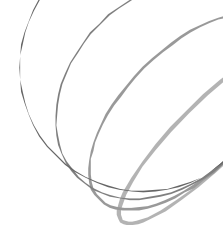
8. The Audit Scotland corporate quality framework was approved in January 2010. It sets out the high level principles that Audit Scotland adopts in carrying out its work for the Auditor General and the Accounts Commission, including the production of an annual quality report. The principles within the framework apply equally to all of our work and all of our staff although the way in which they are implemented in practice will vary between Business Groups and according to the type of work being undertaken.
9. The principles of the quality framework can be expressed diagrammatically as:



10. The primary aim of our quality arrangements is to ensure that we get it right first time as often as possible. Quality control covers the routine processes designed to check, during the course of a project, that we are getting it right whereas Quality monitoring and review provides post project appraisal of quality. Feedback from each part of the arrangements is essential to provide continuous improvements in the quality of our work.
11. Business Groups are responsible for establishing the quality arrangements for their activities including the processes for getting it right first time, quality control and quality monitoring and review. Key documents are available to staff on the Audit Scotland intranet (LIBRO). A brief description of the arrangements in place in each group is set out below.

## Audit Services Group

12. Audit Services Group (ASG) has had a quality framework in place since 2005, which reflects the corporate quality framework. ASG's framework covers financial audit, ethical and quality standards as required by the Auditing Practices Board. The foundation of ASG's quality framework is the ASG Audit Guide, which incorporates the application of professional auditing, quality and ethical standards

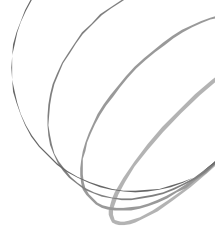


together with the Code of Audit Practice, into an audit methodology which is used across all audits in ASG.

13. The Professional Standards Group (PSG), which consists of staff members from across ASG and reports directly to ASG's Management Team, oversees the development of the Audit Guide and the integration of new standards into ASG's audit approach.
14. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances. As part of the system of quality control, ISQC1 states that an engagement quality control review, known in ASG as a *Peer Review*, should be performed for all audits meeting certain criteria. ASG Management Team has set out the criteria, which include among other things the size of fee, risk, and previous or anticipated qualified opinions on the financial statements.
15. Peer reviews involve discussion with the appointed auditors, a review of the financial statements and supporting information, and consideration of whether the proposed opinion is appropriate. ASG Directors nominate peer reviewers from the assistant directors group to carry out the reviews – peer reviewers have no involvement with the audit in the current or recent financial years, in line with ASG's rotation policy.
16. The Quality Monitoring Team, which is led by experienced senior staff, work closely with the PSG. Each year the team undertakes 'hot' and 'cold' reviews of audits. Hot reviews are carried out during the live audit process, focusing on judgements and risks and ensuring that audits are carried out in accordance with ASG's audit guidance. Cold reviews are undertaken after the completion of the audit and cover the same issues, in addition to which they look more broadly at the wider conduct of the audit including the impact on the public body. These reviews enable the team to report on areas for improvement, training needs and good practice.
17. The work of the PSG and Quality Monitoring Team feeds into the annual learning and development plan which incorporates mandatory annual practitioner updates for all ASG staff. These annual sessions provide training on changes to the Audit Guide and developments in auditing and professional standards.

## Developments

18. ASG launched a revised Audit Guide in October 2010 as part of its annual audit update training session to all staff. The new Audit Guide adopts all the clarified International Standards on Auditing

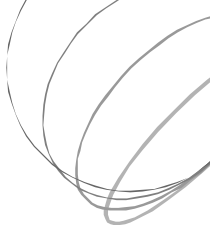


(ISAs), and has given increased prominence to quality control arrangements. The audit guide is supported by a number of guidance notes on specific issues such as using the work of an expert.

19. ASG fully rolled-out an electronic working paper system, MK Insight, for the 2010/11 audits. The system automates and further standardises the recording of the audit planning, judgements, results, and reporting of all ASG's audits. This will contribute significantly to further improving the quality and consistency of audits delivered by ASG.
20. ASG refreshed the membership of both the Quality Monitoring Team (QMT) and the Professional Standards Group in 2011. This provides development opportunities for staff and widens the skill base.
21. An independent, external review was introduced in 2009/10 (see paragraph 48). Discussions are continuing with Audit Strategy to identify the most effective and economical means of making external independent review a regular part of the quality control arrangements.

## Appointed firms

22. All appointed firms are required to provide a summary of their quality arrangements as a part of their tender. All audit firms were required to complete a more detailed questionnaire setting out how their quality arrangements comply with International Standard on Quality Control 1 (ISQC1) in 2007/08. This exercise will take place once for each five year audit cycle and following any merger of firms. The next exercise will be undertaken later this year.
23. Firms are required to submit details of their own internal quality monitoring activity for the audits that they carry out under their appointment by the Auditor General for Scotland and the Accounts Commission.
24. Firms are appointed to audits by the Auditor General or the Accounts Commission. Firms must declare to Audit Strategy that they consider any non-audit work to be permissible under Ethical Standards. Audit Strategy reviews such assertions, and permits non-audit work only where it is convinced that such work is consistent with Ethical Standards. This contributes to the independence and Ethical conduct of audits.
25. The firms involved in auditing bodies under appointment from the Auditor General and the Accounts Commission in 2010/11 are:
  - PricewaterhouseCoopers LLP
  - KPMG LLP
  - Scott-Moncrieff

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- Henderson Loggie
  - Grant Thornton UK LLP
  - BDO LLP
  - Wylie & Bisset LLP
  - RSM Tenon Audit Ltd

## Performance Audit Group

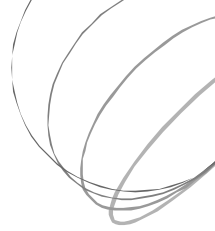
26. Performance Audit Group (PAG) seeks to ensure the quality of its work through three primary documents: Performance Audit Standards, the Project Management Framework, and the Performance Audit Manual. These support and complement each other, together providing a quality assurance framework for performance audit work in PAG. They are supported by further specific guidance, all of which are under regular review.
27. The Performance Audit Standards, which broadly comply with INTOSAI standards and guidance for performance auditing<sup>1</sup>, set out the expectations for all PAG projects and provide a summary of good practice for specific project stages (eg writing and delivering reports). The performance audit standards include a specific standard on quality assurance.
28. The Project Management Framework (PMF) is designed to support consistent standards of project management in PAG. It outlines the key stages of a PAG project and includes a number of actions and outputs that provide quality assurance. One of the requirements is for project teams to carry out a post project review for all audits, with the Assistant Director and Director, where they discuss the key project stages with a view to identifying potential good practice and/or lessons.
29. The Performance Audit Manual sets out the basic principles for performance audit work (eg what is a value for money audit), and provides practical guidance and support for implementing key stages of the Project Management Framework.

## Developments

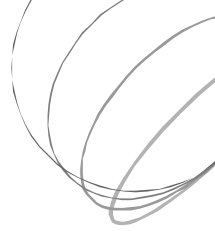
30. PAG has formalised arrangements with the National Audit Office (NAO), Wales Audit Office (WAO) and Northern Ireland Audit Office (NIAO) to carry out reviews of completed studies (cold reviews). PAG reviews reports from each of the partner audit agencies as part of the reciprocal arrangements.

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<sup>1</sup> INTOSAI – The International Organization of Supreme Audit Institutions



31. PAG introduced a Performance Audit Improvement and Development function (PAID) in April 2010. The function is overseen by a designated portfolio manager. PAID is responsible for coordinating PAG's quality and process improvement activity. During 2010/11, the PAID function led or coordinated work on a number of projects relating to quality improvement. The most significant projects were:
- Review of use of surveys – PAG often uses surveys to collect data from audited bodies and from other external stakeholders. The data is used to inform PAG's performance audit work and reports. In May 2010, PAG appointed external experts to review its use of surveys, including an assessment of online survey software applications, and to identify areas for improvement. The outputs from this work included a report on findings, and the subsequent development of a questionnaire handbook. Building on this work, PAG developed a standard questionnaire template and appointed external experts to review six questionnaires that were prepared following the introduction of the handbook, to ensure that the principles and approach set out in the handbook were being followed.
  - Commissioning – PAG appoints consultants to provide expert skills or knowledge for some of its projects. During 2010/11, PAG reviewed and revised its guidance for tendering and appointing consultants. The output from this work was a commissioning handbook, which should ensure that all commissioning follows a consistent process. The handbook was shared and agreed with finance colleagues.
  - Drafting recommendations – The current financial climate has placed even greater emphasis on ensuring that PAG's work adds value. This includes ensuring that recommendations in national reports focus on key issues, and that they are clear, specific, realistic and measurable. PAID has developed a set of principles on recommendations, augmented by more detailed guidance which were issued in March 2011.
  - Project Reviews – During 2010/11, PAG augmented the post project review process in an effort to more effectively disseminate the findings from these reviews. Every 3-4 months the relevant project managers present project review findings at a group meeting. The project managers will look at compliance with PAG processes, highlight challenges, lessons and good practice, as well as possible solutions or ways to embed good practice. The whole group engages in discussion and PAID then considers how the findings/conclusions can be implemented.
32. In 2010, PAG introduced a mandatory internal peer review process for all performance audits. This peer review provides an opportunity for robust challenge by other managers independent of the project and takes place at both the scoping and the drafting stages of the audit. PAG uses the results of these reviews to inform the future direction of the audit, and to minimise the amount of input required by the Assistant Directors and the Director.



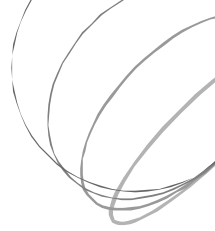
## Best Value and Scrutiny Improvement Group

33. Best Value and Scrutiny Improvement Group (BVSIG) work is managed under a Best Value Quality Framework. The framework covers the Shared Risk Assessment (SRA) process and the Best Value (BV) audit work of councils and joint police boards and forces. It is supported by guidance on the SRA and audit work and a range of other tools, including BV toolkits. These toolkits provide guidance and direction for staff carrying out BV audit work. The toolkits are also available on the Audit Scotland website to ensure openness and transparency and help support improvement activity within audited bodies.
34. The SRA results in a rolling three-year Assurance and Improvement Plan (AIP) for each council. The AIP is a jointly authored document based on the work of senior officers from a range of audit and inspection agencies including Audit Scotland, HMIE, SCSWIS, SHR and the appointed auditors. A group of senior officers from the audit and inspection agencies carry out a 'pre screening review' on each AIP and refer selected cases to a Quality and Consistency Review Panel (QCRP). The QCRP includes senior officers from the audit and inspection agencies and local government. All BV reports are also subject to QCRPs at the scoping stage. The QCRPs consist of three or more senior officers independent of the BV audit team, and they review the logic and scope of the proposed BV audit work.
35. The BV audit work is subject to quality assurance by internal and external peer reviewers. The external peers are selected on the basis of the issues identified in the risk assessment and are drawn from a 'peer pool' of senior local government elected members and officers. Draft BV audit reports are reviewed by a QCRP which carries out an objective evaluation of the significant judgements being made by the audit team, and ensure that the overall assessments are consistent across BV audit work.
36. The audit teams carry out a 'lessons learned review' following the audit work to identify potential improvements to the audit process for future work. These are discussed at BVSIG Group meetings. Members of the Accounts Commission meet with representatives of councils and joint police boards and forces two to three months after the publication of the audit reports. This provides another opportunity for any 'lessons learned' to inform future audit work.

## Developments

37. During 2010 IPSOS MORI were commissioned to carry out three independent evaluations. The first covered the SRA process, the second the BV audit and the third covered the joint BV audit and inspection of joint police boards and forces which are carried out in partnership with HMICS. The



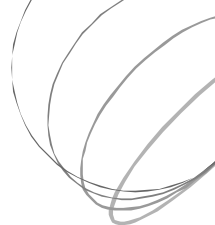


findings from these evaluations resulted in refinements to the risk assessment, audit and inspection processes.

38. In April 2011 the Accounts Commission agreed the audit approach for carrying out BV audit work in Fire and Rescue Services. This approach includes a QA framework which mirrors the one used for BV audits of councils and police boards and forces by using peer review and a QCRP.
39. During 2010 the BVSI Group set up a development project to review and consolidate the quality assurance processes which cover the wide range of work carried out by the group, including the thematic 'How Councils Work' reports and reports made under Section 102 of the Local Government (Scotland) Act 1973, into an overarching framework. The review is drawing from best practice QA arrangements used by the other business groups within Audit Scotland. The review is nearing completion and its recommendations will be implemented as appropriate during 2011.

## Audit Strategy Group

40. Audit Strategy carries out a quality appraisal function for all financial audits carried out under appointment from the Auditor General for Scotland and the Accounts Commission, covering the work of both the firms and Audit Services Group.
41. The principal objectives of the quality appraisal work are to:
  - provide assurance to the Auditor General and the Accounts Commission on the quality of audit work undertaken; and
  - promote improvements and good practices in auditing.
42. The approach recognises the recent developments in professional standards and professional regulation. This means that Audit Strategy can rely on work undertaken by auditors and their regulators, supported by surveys of audited bodies' views of the services that they receive, reviews of a sample of audit reports and monitoring of outputs against plans.
43. Monitoring of work by Audit Strategy consists of a number of inter-related activities, each carried out at varying frequencies depending on their purpose:
  - review of the auditor's own quality control and monitoring arrangements in line with ISQC1
  - review of public Audit Inspection Unit (AIU) reports (or equivalent)
  - product readings
  - service quality surveys
  - output monitoring



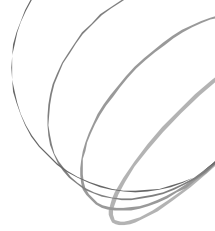
- oversight of acceptance of non-audit work
- responding proportionately to complaints about auditors
- considering the impact of conflicting audit judgements between auditors
- independent reviews of audits by Audit Strategy.

Each of these activities is expanded upon in the “Results of Quality Control Activity” section below.

44. None of the measures in place provide absolute assurance for any of the elements of the quality appraisal framework. However, absolute assurance cannot be gained, nor is it an aim of the framework to do so.

## Developments

45. The Audit Strategy quality appraisal framework remains in draft. The bulk of the framework dealing with the oversight of financial audit is not in question, however discussions are ongoing regarding Audit Strategy’s role in business groups’ quality arrangements. The framework is expected to be finalised and approved in 2011. This and the publication and dissemination of the corporate quality framework will further embed the quality processes throughout the organisation.
46. As part of the development of the quality appraisal framework, it was identified that reviewing partnership working arrangements (ie firms carrying out work on behalf of PAG/BVSIG) would provide useful information on the quality of firms’ engagement with Audit Scotland. Arrangements for monitoring this are under development, and are expected to be in place upon approval of the quality appraisal framework.
47. The larger firms involved in local government, central government and health audits have been submitting their own quality control reports for some time. From 2010, the firms involved in further education also began sending in their quality control reports. The first such reports cover colleges’ 2008/09 or 2009/10 years.



# Results of Quality Control Activity

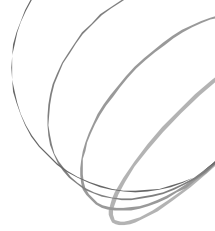
## Audit Services Group

### Corporate Review of Audit Scotland

48. Deloitte LLP carried out a review of ASG's arrangements for ensuring audit quality in financial audit work, including coverage of corporate level arrangements in Audit Scotland in 2009/10. This involved reviewing arrangements across five categories against ISQC1 requirements, including corporate arrangements covering leadership and human resources.
49. The overall assessment placed Audit Scotland within the good practice range with a targeted state of moving this towards the best practice range. An action plan to move towards best practice is in place, with 46% of actions complete or already in place, 31% on track and 23% where there are compensating controls, or where Audit Scotland has decided to accept the risk. Audit Services Group has only one action remaining to complete, with a further 10 where responsibility lies elsewhere. Audit Strategy is overseeing the on-going work to complete the outstanding actions.

### Quality Monitoring Reviews

50. The QMT carried out four cold reviews of 2009/10 audits. The team concluded that all four audits were carried out in compliance with ASG's Audit Guidance or the NAO's "Audit Strategy for EU Agricultural funds: Accounts for UK Paying Agencies," as appropriate. The QMT notified audit teams and agreed action plans where documentation or audit approach could be strengthened.
51. Though hot reviews are normally undertaken every year, these were not carried out on any 2009/10 audits. This was to allow the teams involved in the MKI pilots sufficient time to develop the new system and resolve any difficulties encountered in the first year of rolling out the electronic working papers package. The QMT plan to carry out hot reviews as normal for the 2010/11 audits.
52. A small number of themes from these reviews have been identified and shared with ASG Management Team. In general, they are different from prior years, which would suggest that previously identified themes are improving. The themes identified this year will be fed into the Professional Standards Group for inclusion in the mandatory annual audit update. The main issues for improvement were:
  - Greater consistency between the risks identified and the audit work planned as recorded in all associated documents



- Clarity on the basis for sample selection and justification for extrapolation/non-extrapolation for errors found (this is common to last year's findings)
- Better and more timely documentation of where reliance is being placed on the work of internal audit.

## Peer Reviews

53. Nine 2009/10 audits met the criteria for a peer review. In each case, the peer reviews were completed in a timely manner and confirmed that the audit opinions were appropriate.

## Performance Audit Group

54. Partner audit agencies completed two reviews of 2010/11 reports in the year. The findings were positive, noting in particular the findings, conclusions and robustness of the reports. The format of the reports was identified as an area where there is scope for improvement.

55. PAG held its first review of project reviews in February 2011 (as described in paragraph 31). This covered seven 2010 performance audits. Some themes to emerge were already known, and some new themes were identified. In all cases, a number of solutions were proposed and discussed, however it is too early to be able to generalise across PAG from these early findings.

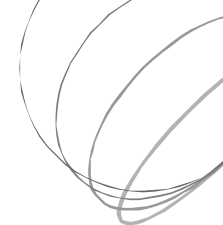
## Best Value and Scrutiny Improvement Group

56. The findings from the independent reviews carried out by Ipsos MORI, QCRP findings, 'lessons learned reviews' and post audit meetings between members of the Accounts Commission and audited bodies have been used to refine the audit and inspection process for councils and joint police board and forces. They have also been used to inform the audit approach for BV audit work in fire and rescue services and will influence the overarching QA framework for the BVSI group.

## Audit Strategy Group

### Appointed Auditor's own ISQC1 quality control and monitoring arrangements

57. In the course of the year, Audit Strategy received copies of all the quality control reports carried out on public sector audits from all audit providers covering their 2008/09 work. This includes providers of FE colleges for the first time. The equivalent ASG report covers the 2009/10 audits and is reported at paragraph 50 and 52).



58. All the reports continue to show that firms carry out quality control work in line with international standards on auditing and International Standard on Quality Control 1 (ISQC1). Findings show that the quality of work is high and Audit Strategy can continue to rely upon it.

## Review of public Audit Inspection Unit (AIU) reports

59. The AIU has published public reports on each of the big four and one covering other significant audit firms in late 2010. This means that two of the eight firms in our regime have had AIU reports in 2010. Audit Strategy has reviewed the public reports of each of the larger firms used. Given that the larger firms have broadly consistent methodologies and procedures across all of their audit work, Audit Scotland can take some assurance for the purpose of its work. The reports review firm-wide systems and processes for ensuring audit quality, and review a sample of their audits of public interest entities.
60. Each of the firms in our regime achieved satisfactory results from the AIU reports. Where firms are not covered by the AIU, some assurance can be gained by their registration with their professional bodies' Audit Registration Committee, and from their coverage in the AIU's report on the inspection of smaller firms.

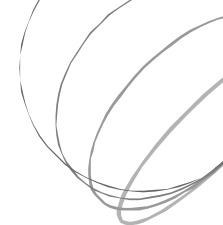
## Product readings

61. A sample of annual audit reports was read by Audit Strategy and assessed to confirm compliance with the Code of Audit Practice, and as an assessment of the quality of reporting to each of the audit bodies. For the 2009/10 audits, one report from each audit provider for each sector they worked in was reviewed.
62. The key findings from the product read exercise were that some reports were very well written and none were considered to be fundamentally unsatisfactory or inadequate. Quality surveys also show that audited bodies are mostly satisfied with the annual report they receive. Overall, the findings show that reporting was satisfactory.

## Audit service quality surveys

63. Audit Service Quality Surveys were carried out in line with our programme covering the health and further education sectors for the 2009/10 audits.
64. The key indicators are:
- what audited bodies thought of the quality of service provided by the auditors, and
  - whether the audit had made, or will make, a difference to them in the four areas defined in our corporate impact framework.

A summary of the responses received is shown in the table on the next page.



	% positive responses	
	Health	Further education
<b>Overall quality of service</b>	<b>94</b>	<b>100</b>
<b>Area of impact of audit</b>		
Assurance and accountability	94	100
Planning and management	87	96
Economy and efficiency	71	90
Effectiveness and quality of services delivered by audited bodies	64	92

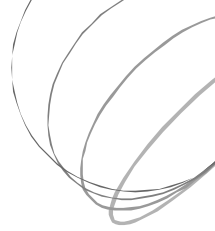
65. Comments made by audited bodies about the impact of the audit were mostly related to the provision of assurance, and specific accounting issues. Positive feedback related mostly to good planning, working relationships, good communication, staff flexibility and professionalism.
66. Suggested improvements were very varied, with no single issue being raised with any frequency. However, in both surveys, at least half of the bodies did not identify any areas for improvement.
67. Copies of all completed questionnaires are sent to the relevant auditors. Where bodies' responses indicate scope for improvement, auditors are directed to discuss the issues with the body and to consider any actions that might be taken to improve the situation.

## Output monitoring

68. The following table sets out the key outputs from each sector for the audits of the 2009/10 financial statements:

	Local Govt	Health	Central Govt	FE
Audit opinion on time	30 September 10 76/76 (100%)	30 June 10 23/23 (100%)	31 October 10 67/71 (94%)	31 December 10 38/39 (87%)
Audit report on time	31 October 10 76/76 (100%)	31 July 10 23/23 (100%)	30 November 10 67/71 (94%)	31 December 10 38/39 (87%)
Accounts laid on time	N/A	31 December 10 23/23 (100%)	31 December 10 70/71 (99%)	30 April 11 39/39 (100%)

69. Delays in certification and reporting in FE and three central government bodies were due to issues arising through the audit, including a fraud leading to a section 22 report. These were issues outside the auditors' control, and they made Audit Scotland aware of the issues as they were on-going. In these cases the accounts were still laid on time, with the last FE accounts received on the 11<sup>th</sup> March 2011. The fourth delay in central government was due to the auditor being unaware of the accounts



laying arrangements resulting in the accounts being laid late. The accounts were received on the 5<sup>th</sup> January, and the laying process was explained to the auditor in question.

70. In all cases, final payment of fees took place when all audit work had been completed.

## **Oversight of acceptance of non-audit work**

71. Throughout the year, firms have obtained approval for any non-audit work. All applications were assessed against the Ethical Standards in force prior to approval. Based on the non-audit work approved during 2009/10, and because of the independent appointment of auditors, we are able to obtain assurance of the independence of auditors.

## **Respond proportionately to complaints about auditors**

72. There have been no complaints about the quality of work undertaken by auditors this year. This is an important element of our overall assurance on the quality of auditors' work.

## **Consideration of conflicting audit judgements between auditors**

73. There have been no significant conflicting judgements between auditors this year. In the course of the year, there have been regular sectoral meetings and technical forums involving auditors from each of the four sectors, where emerging or contentious technical issues were discussed.

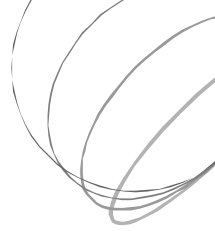
## **Independent reviews of audits by Audit Strategy**

74. Monitoring of the quality of audit provision during 2010/11 has not highlighted any audits needing an independent review by Audit Strategy.

# **Conclusion**

75. Overall, on the basis of the arrangements in place and activity for the year, it is reasonable to conclude that Audit Scotland and the private firms continue to provide the Auditor General and the Accounts Commission with high quality work.

76. The report shows that arrangements across ASG, PAG and BVSIG are continuing to develop, with significant effort on obtaining regular external, independent appraisal of their work.



# Glossary

AIP – Assurance and Improvement Plan, a jointly authored, three year rolling plan covering scrutiny work planned for a council.

AIU – The Audit Inspection Unit (AIU), part of the Professional Oversight Board, itself a part of the Financial Reporting Council, is responsible for the monitoring of the audits of all listed and other major public interest entities.

ASG – Audit Services Group, part of Audit Scotland with responsibility for carrying out financial audits of all public bodies audited by Audit Scotland.

BV – A duty of audited bodies or accountable officers. It is defined in statute for local authorities as continuous improvement in the performance of functions. In securing Best Value local authorities are required to balance issues of quality and cost, have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements, and contribute to the achievement of sustainable development.

BV audit – The audit of Best Value and Community Planning.

BVSIG – Best Value and Scrutiny Improvement Group, part of Audit Scotland with responsibility for Best Value, scrutiny co-ordination, and overview reports across all sectors.

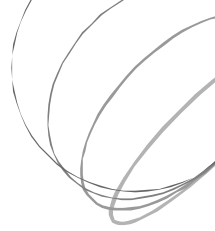
Ethical Standards – Ethical Standards are set by the Auditing Practice Board and apply in the audit of financial statements. They are a set of basic principles and essential procedures together with related guidance in the form of explanatory and other material covering the integrity, objectivity and independence for auditors.

INTOSAI – The International Organisation of Supreme Audit Institutions operates as an umbrella organisation for the external government audit community.

ISA – International Standards on Auditing are professional standards for the performance of financial audit of financial information. These standards are issued by International Federation of Accountants (IFAC) through the International Auditing and Assurance Standards Board (IAASB), and approved in the UK by the Auditing Practice Board.

ISQC1 – International Standard on Quality Control 1 is the professional standard for quality control. This standard is issued by International Federation of Accountants (IFAC) through the International Auditing and Assurance Standards Board (IAASB), and approved in the UK by the Auditing Practice Board.





NAO – The National Audit Office is responsible for auditing the accounts of all Westminster led government departments and a wide range of other public sector bodies, and has statutory authority to report to Parliament on the economy, efficiency and effectiveness with which departments and other bodies have used their resources.

NIAO – The Northern Ireland Audit Office is responsible for auditing central government and local government in Northern Ireland. It also carries out value for money audits, reporting to the Northern Ireland Assembly.

PAG – Performance Audit Group, part of Audit Scotland with responsibility for national reporting across the public sector.

PMF – The Project Management Framework, PAG's guide to support consistent standards of project management.

PRG – Public Reporting Group, part of Audit Scotland, and the predecessor group to BVSIG and PAG.

PSG – Professional Standards Group, part of Audit Services Group responsible for overseeing the development of the Audit Guide and the integration of new standards into ASG's audit approach.

SRA – Shared Risk Assessment, a process involving a joint approach using key information about a body to plan scrutiny activity that is proportionate and based on risk. SRA is undertaken by a joint scrutiny network of senior officers from a range of audit and inspection agencies including Audit Scotland, HMIE, SCSWIS, SHR and the appointed auditors, and leads to the preparation of an assurance and improvement plan, part of which may be the conduct of a Best Value audit

WAO – Wales Audit Office, either directly audits Welsh public bodies, such as the Welsh Assembly Government and the NHS or, as in the case of local government, appoints auditors to do so.

**ACCOUNTS COMMISSION**

**MEETING 16 JUNE 2011**

**NOTE OF FOLLOW-UP MEETING WITH NORTH AYRSHIRE COUNCIL – 18 MAY 2011**

**ACCOUNTS COMMISSION FOR SCOTLAND  
NOTE OF BEST VALUE AUDIT FOLLOW-UP MEETING WITH  
NORTH AYRSHIRE COUNCIL – 18 MAY 2011**

**Accounts Commission representatives**

John Baillie, Accounts Commission Chair  
Graham Sharp, Commission member  
Colin Peebles, Commission Member

**Audit Scotland representatives**

Peter Tait, Audit Services Group, Audit Scotland  
Lesley McGiffen, Best Value and Scrutiny Improvement Group, Audit Scotland

**North Ayrshire Council representatives**

Leader of the Council, Councillor David O'Neill  
Provost, Councillor Pat McPhee  
Councillor Elisabeth Marshall  
Councillor Jean Highgate  
Councillor Andrew Chamberlain  
Councillor John Hunter  
Councillor Anthea Dickson  
Councillor Mathew Brown  
Councillor Willie Gibson  
Elma Murray, Chief Executive  
Alasdair Herbert, Corporate Director – Finance & Infrastructure  
Ian Mackay, Solicitor  
Jim Montgomery, General Manager – Policy & Service Reform

**Introductions**

John Baillie opened the meeting, welcoming those attending. He thanked the council for agreeing to meet, and emphasised that it was an informal discussion providing an opportunity for the Accounts Commission to engage directly with the council and discuss their response to the Best Value report. John highlighted three areas for discussion:

- culture of improvement,
- using resources efficiently,
- elected member Involvement.

Councillor O'Neill commented that the Best Value report was a fair reflection on where the council was, however he considered that the judgements were harsh. He felt this was in part due to the recent appointment of the Chief Executive and that for many of the activities it was

too early to assess their effectiveness and that while the Best Value report identified slow progress since the first report the pace of change did not feature as an issue in annual audit reports. He recognised the strengths and weaknesses identified in the Best Value report and said that it would be used to drive improvement across the council.

### **Culture of improvement**

The commission recognised that the members and chief executive were moving forward with the council's change and improvement agenda, and asked whether the council was maintaining the momentum it had established. Councillor O'Neill said there was a culture of improvement within the council, while acknowledging that it wasn't what it should be yet. Elma Murray described the support she had from officers and elected members on driving change through the council. She highlighted the 'golden thread' report as being a reality check for the council and confirmed that the council was putting in place recommendations from the report. The council is now focussing on changing the culture and developing a learning organisation.

The commission acknowledged the demands that improvement activity can bring to an organisation and asked whether the council considered that it had sufficient capacity to implement its improvement programme. Councillor O'Neill recognised this as a public sector wide issue and highlighted that a strategic partner – iMPOWER has been recruited to help the council in this area. The commission identified that specific areas might be more at risk and officers would be required to drive change while reacting to operational issues. Elma Murray and Councillor Brown acknowledged that there were some concerns around the capacity of officers. This was specifically around their support for elected members in helping them deliver the changes and challenging messages to their communities.

### **Using resources efficiently**

Councillor O'Neill considers that the council needs to be smarter in how it uses its resources but it is making some progress in this area highlighting the new approach to care for the elderly. The commission asked on the council on its progress in developing a financial strategy. Elma Murray confirmed that there had been quite a bit of work gone into developing the financial strategy. She also confirmed that the council had already made some significant budget reductions. Alasdair Herbert provided additional detail on the work that had gone into developing the strategy.

The commission asked about the council's progress on procurement and asset management. Councillor O'Neill recognised that procurement had been weak and that the council needed to get smarter in this area. Alasdair Herbert confirmed that the council was currently considering centralising its procurement function. He also mentioned that it was actively seeking opportunities for sharing services with other organisations.

The commission recognise the difficult balance between making savings and looking after the local economy and wanted to know how the council were achieving this balance. Elma Murray highlighted the need to work within the regulations but also for staff and members to be aware of the economic impact on decisions and gave the example of the school meals service where 15 per cent of the work currently is provided from within the local economy. She also highlighted the use of community benefit clauses in large construction and service contracts.

The commission asked about joint working with the health board and whether that had moved forward. Councillor O'Neill considers this as an area that the council needs to get much better at and thinks that there could be big efficiency savings across agencies. Councillor Brown thought the health board approach to joint working could be improved. The commission then went on to ask about working with other councils and Councillor O'Neill highlighted the work around the joint regulatory service. Ian Mackay acknowledged the councils commitment to this project but spoke about the delays due to legal issues.

## **Elected member involvement**

Councillor O'Neill considered that elected member involvement was improving and the introduction of covalent had helped with performance management and while there was still a way to go the direction of travel was right. The commission asked whether elected members had good oversight of the change programme. Councillor Brown said that due to the change in the financial climate there was now much greater debate on the budget and that the council was operating in a less silo way. The commission then asked whether the sounding board was an effective forum. Councillor Chamberlain thought that those involved in the sounding board got a good level of information while acknowledging that those not involved might not have so much knowledge. Other councillors acknowledged the positive nature of the change.

The commission asked about scrutiny and whether members thought they were getting the right level of detail. Councillor Brown thought that this was improving enormously while Councillor Hunter acknowledged that it was still early days and that further work had still to be done. The commission then asked whether the pace of change was fast enough. Councillors agreed that the pace of change was faster than they had previously experienced but that this was necessary. The commission asked whether members were getting all the information they required. Councillor Dickson referred to the elected members personal development process which she considered would help members to understand their role better.

## **The audit process**

The Commission asked whether there were any areas of concern for the council. The elected members considered the best value process to be useful and Cllr Brown suggested that elected members could have been better involved in the process. Councillor O'Neill welcomed a follow up report at the earliest opportunity and urged the Accounts Commission to consider that.

Peter Tait acknowledged that there was a differing perception in terms of reporting performance management and while the language used in the BV judgements had not been used in annual members' reports, this was an issue that had been reported continuously over the past five years.

## **Conclusion**

John Baillie concluded the meeting by highlighting that the Accounts Commission meetings were now held in public and that as chair of the scrutiny co-ordination group he considered there was the potential for a radical change in our approach to scrutiny. Elma Murray welcomed this potential and highlighted the importance of self evaluation, particularly for organisations committed to continuous improvement. John briefly mentioned the work Solace and Cosla have been undertaking on performance indicators.

John concluded the meeting by thanking everyone for their input and said that the commission welcomed the opportunity to meet and discuss these issues with the council.

**ACCOUNTS COMMISSION**

**MEETING 16 JUNE 2011**

**ACCOUNTS COMMISSION DIGEST**

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**Introduction**

1. This digest is intended to provide Commission members with background information that may be of interest.
2. This month the digest includes:
  - Further details on government and parliamentary activity of interest to local government
  - An outline of recent media coverage of relevance to the Commission
  - Recent publications of interest
  - A note of forthcoming conferences which may be of interest to members.

**Parliamentary and government activity**

3. The Controller of Audit's update report includes information on issues of most relevance to the Commission. Members may also be interested in the following matters:
4. John Swinney met with COSLA to reaffirm the Government's **Concordat** with local authorities.
5. The First Minister listed the reform of public services as one of the **Government's priorities** during the current five year term.
6. The Scottish Government has laid regulations proposing the prevention of **councillors receiving payment for sitting on the board of ALEOs**.
7. **Scrutiny of care homes – various parliamentary questions and answers, relating to the Elsie Inglis care home, Southern Cross and care homes generally. Including:**  
(During First Minister's Questions) Iain Gray said: I did not criticise the response of SCSWIS to the situation at the Elsie Inglis home; my question was about the inspectorate's continuing capacity to carry out such work. We are moving from a statutory requirement for six-monthly inspections to a risk-assessment model that will mean fewer inspections. Further, the number of staff who carry out those inspections has been cut and will be cut in the two or three years ahead. However, concerns have been expressed not only about the regulator. Audit Scotland has today condemned the community health partnerships, which are supposed to plan and manage social care, and doctors say that those partnerships have "spectacularly failed".

The First Minister said: Iain Gray referred to community health partnerships. He also referred to the importance of the Parliament acting together and of not making party-political points. Community health partnerships were

established in 2004. Today's Audit Scotland report, like last year's independent inspection report, has indicated that there are serious problems—not failing across Scotland—in some areas, with a lack of integration of health and social care. That is exactly why the Government has established such integration as a priority. If I were to take a non-political look at the establishment of community health partnerships, I might say that we have learned from experience something that may not have been evident when the relevant legislation was introduced. The legislation left the co-ordination of health and community care as a voluntary aspect of the 36 partnerships in Scotland. Why is that important? Today's Audit Scotland report did not indicate that the system was failing across Scotland. On the contrary, one of its key findings was that there was co-sharing of services in 20 of the partnerships. That begs the question, why has it not happened in the other 16 partnerships? I suggest that it was a flaw in the Parliament's legislation that those of us who were in the Parliament in 2004—neither Iain Gray nor I were—did not realise that the co-ordination that was hoped for had to be made compulsory and that integration had to happen and should not be left to individual health boards and local authorities across Scotland. That is why the Government has made making such integration happen a priority.

Neil Findlay (Lothian) (Lab): To ask the Scottish Executive: what contingency plans it has to take care of residents of private care homes that are forced to closedown. ; what contingency plans it has to protect the residents of care homes run by Southern Cross Healthcare if the company goes into administration. Nicola Sturgeon: COSLA chairs a national contingency planning group for adult care. This group will shortly issue national guidance on managing care home closures that include protocols for the handling of care and support to individual residents and their carers throughout the process. The group's membership includes the Scottish Government, Social Care Social Work Improvement Scotland, Scotland Excel, East Renfrewshire Council and the Association of Directors of Social Work

Health Minister Nicola Sturgeon has claimed that she will make the improvement of care available to elderly people in care homes a personal priority.

### **News summary 10 May – 7 June**

8. There has been coverage in the last month of the following Accounts Commission documents:
  - **Community Health Partnerships report** received high profile extensive coverage, including items on STV, BBC Newsnight Scotland and the Herald's front page. The BMA issued a strong release, calling for a review by the Scottish Government and welcoming the recommendation to involve GPs in planning services which was widely quoted. The Scottish Government, political parties, ADSW and others also commented and parliamentary mentions featured in news stories.
  - **The National Scrutiny Plan and local Assurance and Improvement Plans.** The national work was covered by Local Government Chronicle and there was some local newspaper coverage of local plans.

- **Highland Council and the Caithness Heat and Power Project report and findings** were mentioned in news items about the collapse of the scheme by BBC Radio Inverness, the P&J and the Caithness Courier.
- **North Ayrshire Council Best Value report and findings:** The council has drawn up a formal member-officer protocol, as prompted by the Best Value report. Irvine Times
- **Shetland Islands Council statutory report and findings.** Coverage in local media of agreed changes to the way in which the council conducts its business, said to have been triggered by criticism of the current system by the Accounts Commission. The Commission was also mentioned in coverage of the Scalloway school decision. The council voted in December for closure but a month before pupils were due to move to another school the council decided to debate the issue again. The Shetland Times commented “the council was criticised last year by the Accounts Commission and in previous years by Audit Scotland for failing to demonstrate that it could make difficult decisions and abide by them.”
- **Road maintenance report:** continues to attract mentions in local news stories.

9. Articles relating to the **Clyde Valley Review and Christie Commission:**

- On 2 June The Herald reported that *South Lanarkshire Council* was preparing to quit several aspects of the Clyde Valley Review and others are casting serious doubts over its future. Several of the councils, led by *East Renfrewshire*, were said to be opting for a much lighter programme, keeping services such as accounts, audit and call centres in-house and preferring only to merge functions such as revenue and benefits, while no savings could be delivered until 2015. An anonymous source linked this to elections. The Review was due to report in just over a week’s time. The Herald also said that indications are that the Christie Commission will point to the Clyde Valley Review as a blueprint for reform.
- The Sunday Times reported that the Christie Commission will say that the cost of Scotland’s health and social services, an estimated £27billion over the next 15 years, will be impossible for taxpayers to meet.

10. References to the **police and fire and rescue restructuring** debates include:

- The head of *Northern Constabulary* says he will look at the idea of a single body overseeing emergency services in the Western Isles. BBC 11 June
- Consultation on the merits of reducing the number of police forces and fire brigades in Scotland has attracted hundreds of responses. Government spokesperson said there were more than 200 responses on police reform and about 170 on fire reform – they expect to publish the responses in June. P&J 17 May
- Delivering the closing speech at the Association of Chief Police Officers in Scotland (Acpos) annual conference on Friday 3 June, President of the Association, Chief Constable Kevin Smith, said proposals for moving to a single-force model had the potential to result in “unforeseen spiralling costs”. Sun, Herald, P&J

- President of Acpos has said he wants to see an end to "negativity and scaremongering" in the debate on the future of Scottish policing. P&J 30 May
- *Strathclyde Police* Chief Constable Stephen House has backed the merger of Scotland's police forces, a move that is projected to save £200million per annum, whilst putting himself forward as a candidate for the head of the new force. Sunday Express/ *Strathclyde Police*: One of Scotland's most senior police officers has warned ministers that three or four forces will be a "fudge" and an even worse option than staying with eight. Scotsman 25 May
- The head of SCDEA supports a single police force for the entire country" Daily Mail, Herald 27May
- *South Lanarkshire* councillors have given their backing to revise regional police forces and fire services but have stopped short of supporting national models covering the whole of Scotland. East Kilbride News
- The number of police forces should be hugely expanded to make them more accountable to local scrutiny and effective in combating crime, according to Reform Scotland. It says every council area needs its own officers – so it is calling for 32 forces. The Herald says 'it is vague on how much the plan would cost' although does say it should be value for money. Comment from Stephen House of *Strathclyde* – he says he agrees local officers need to work with local authorities to deliver the type of policing wanted and needed and having a single national force will enable this. Herald, Scotsman – article & editorial, P&J, Daily express – article & editorial, Star – article & editorial 3 June. Courier, Evening Times
- Scotland's public sector is at risk from criminals using corruption tactics, with nearly 100 organised gangs actively targeting the nation's officials, it has been claimed. Daily express 6 June

**11. Other police and fire and rescue articles** include:

- *Dumfries and Galloway* Fire & Rescue's annual improvement plan received council approval. BBC 10 May
- *Dumfries and Galloway* Constabulary's annual report was published. The BBC reported on its performance. 24 May
- Crime in the *Highlands and Islands* fell by 4% last year, equating to 568 fewer victims, according to Northern Constabulary. BBC 16 May
- A poll revealed that 76% of members of the Association of Scottish Police Superintendents do not believe it is feasible to retain all 17,234 officers across Scotland. Herald 28 May
- The assistant chief constable of *Central Scotland Police*, John Mauger, is said to have been suspended on full pay since July last year, after a formal complaint was made against him. The report on this has been repeatedly delayed since its original due date in March this year. Sunday post
- *Strathclyde Fire*: A fire chief is to retire with a £500,000 pension and then walk back into his job at a salary of £150,000. Daily express, Record 12 May, daily Mail 13 May
- *Northern Constabulary's* new chief constable has admitted that mistakes were made during a joint bid with the local authority and its fire service to get an occupational health service. P&J 16 May
- *Edinburgh* should be given more money to cover the cost of high-profile events, according to the council's corporate director. Daily Express 17 May
- *Grampian Police* Chief Constable has beaten all of his performance targets and earned a 15% bonus. However it won't be paid because of the pay freeze. This was in a confidential report made to Grampian Police Board and seen by the Evening Express.



- The impact of a 10% reduction in police support posts in *Dumfries and Galloway* is being monitored, the region's chief constable Pat Shearer has said. BBC 25 May
- A sharp rise in the number of religious hate crimes recorded in *Fife* in the past year has been put down to improved reporting systems in place across the region, Courier 27 May

12. Articles about **workforce**. Including:

- £3.5million has been spent on legal fees by councils fighting equal pay claims. Scotsman 28 May, Evening News
- The Scotsman reported (17 May) that public sector redundancy payouts in Scotland have trebled in the past three years.
- Scotland's councils have cut millions of pounds in recruitment advertising in the past three years. BBC 17 May
- The number of environmental health officers employed within Scotland's local authorities has fallen by 21% in the past 15 years. Herald 25 May
- *Argyll and Bute* councillor John Semple is calling for more meetings to be held over video-conference, a move he claims could save up to 50% in travel costs, equivalent to about £100,000. P&J 14 May
- *South Lanarkshire*: Two directors posts to be cut. East Kilbride News
- All eight senior officers working at *South Lanarkshire Council* each received pay and pension benefits of over £150,000 last year. Rutherglen Reformer
- *West Dunbartonshire*: a cross party 'absence working group' has been set up to scrutinise why employees have an average of 12 sick days per year. Council lost 60,000 days to sickness absence in 2009/10, one of the highest rates in Scotland. The Lennox
- *Aberdeen City*: A flawed payroll system has been blamed for very high sickness rates among social work staff. P&J 18 May
- More than £10m has been saved by *Dumfries and Galloway* council in one year after it shed about 400 jobs. Eskdale Advertiser
- *North Ayrshire*: a trade union says it was unaware of the scale of job losses as the council cut 67 posts from street cleansing and grounds maintenance teams. Irvine Herald

13. Articles relating to **Arm's-Length External Organisations** include:

- Ministers have announced plans to outlaw within weeks a controversial system of gratuity payments to councillors serving on the boards of bodies funded by the same local authority. Herald 3 June – article and editorial
- *Fife's* libraries and museums could be among the services soon to be managed by an arm's length trust after councillors agreed to the move in principle yesterday. Courier 18 May
- *Highland Council* said using new body High Life Highland (which will provide community learning and leisure services) will have no impact on either staff or accountability. It is currently recruiting directors. West Highland Free Press

14. Articles relating to **care issues**:

- There has been high profile, extensive and sustained coverage of the circumstances surrounding a death at the *Elsie Inglis care home in Edinburgh*, followed by the removal of residents from the home. The Elsie Inglis care home was given a good inspection report last year. But SCSWIS returned in April and deemed every aspect of the home's operations as

'unsatisfactory'. The death is the subject of a police and council investigation. NHS Lothian and SCSWIS are being kept informed of developments. Coverage of politicians' comment including parliamentary questions and answers, also widely reported.

- Report into an *Aberdeen* nursing home at the centre of a police and council investigation found the quality of care was "weak". BBC
- The Sunday post reported that almost every second local council has reduced spending on food for the elderly in care homes, with 15 councils spending less than £5 per day on meals for each resident. Nutrition experts are concerned about malnourishment and reduced quality of life. *East Lothian Council* spent the least on care homes per day and the biggest percentage drop was in *Perth and Kinross*. *Glasgow City Council* were said to have increased spending in meal provision. Sunday Post 15 May
- Concerns were raised after it was revealed that commercial care home provider *Southern Cross* lost £310million in six months, putting pressure on the Scottish Government to provide a financial solution. Scotsman 21 May, Sunday Express/ "Taxpayers face having to rescue more than 31,000 vulnerable people amid financial meltdown at the UK's biggest care-home company" Daily Mail 2 June / The UK government has pledged to ensure "effective protection" is in place for residents of Southern Cross. BBC 2 June/ Care homes operator Southern Cross is to cut its rental payments by 30% tomorrow in a bid to tackle its £230m annual rental bill. Two weeks ago the company, which has experienced poor operational performance recently, warned that without the cut it would be unable to meet its rental obligations. Times 1 June/ Safeguards are in place for more than 3000 elderly Scots being looked after by under threat care home provider Southern Cross, First Minister Alex Salmond has pledged. Herald 3 June/ Articles about Southern Cross, its responsibilities and financial position. States the need for a body to have responsibility for financial checks on care home providers. Sunday Times/ Southern Cross is planning to change its name and shed 200 homes as it struggles to avert collapse, according to reports. Scotsman 6 June
- The GMB union says care home inspectors should be given more powers to shut dangerous facilities . Sunday post, Sunday Times
- *Argyll & Bute Council*: is facing the first legal challenge of its kind over a controversial move to withdraw funding from a support service for people with learning disabilities. Herald 23 May
- Unpaid carers save Scotland an annual sum equivalent to the amount it costs to run the NHS - £10.3bn, according to new research by Carers UK and the University of Leeds. Herald 13 May, Scotsman 12 May
- The President of ADSW was reported to have told the association's conference that there is a "pervasive air of disappointment" around adult social care among Scottish Government ministers" He said the attitude is based on misconceptions but is leading to a consensus that the system must change. He warned against a rush to merge social care and health services, which he says is purely a structural change, and isn't based on outcomes . The Scottish Government has cited the Highlands as the model for changed working, but he says there is no evidence that this model is the best or only way to integrate services. He called for localised responses. ADSW has now commissioned research on service integration. Herald 24 May
- Pensioners in Scotland's care homes have seen their fees rise by a third, the biggest rise in the UK. Daily Mail , Courier 30 May
- *England*: Birmingham City - Britain's biggest council - has been told its plans to cut services for elderly and severely disabled people are unlawful and must

be dropped, in a landmark High Court judgement with wide-ranging implications for social care. Daily telegraph, Times, Guardian 20 May

- Extensive news and analysis coverage of the pay out awarded to the former director of children's services in Haringey, London. Sharon Shoemith said she does not 'do blame'. Her pay-out could top £2million. The comment followed her successful appeal against her sacking over the Baby P case. The high court ruled that Ed Balls – children's secretary at the time of her dismissal – had failed to give Shoemith the opportunity to defend herself from criticisms in a specially commissioned Ofsted report.
- The BBC's Panorama programme secretly filmed at a Bristol residential care home for people with learning disabilities, showing abuse of residents. In response to this the UK Government announced. Police arrested and later bailed four people over the treatment of patients with learning difficulties at Winterbourne View. Care Services Minister Paul Burstow said he was determined to strengthen safeguards for vulnerable adults. The Care Quality Commission said there was an "unforgivable error of judgement" in not investigating earlier abuse claims. Reports dating back to 2008 raised serious concerns of the quality of care. The coalition government is now to send inspectors into 150 residential centres for vulnerable adults to ascertain the scale of the problem of abuse in the system. Extensive coverage / England: Vulnerable adults in care in England are to be given more protection from abuse, the government has said. The pledge comes after a BBC Panorama investigation showed staff at a privately run hospital mistreating adults with learning disabilities. Details of "safeguarding" boards like those for vulnerable children are to be published within a fortnight. BBC 6 June

15. Articles relating to the **Edinburgh Trams Project** include:

- Article about Edinburgh trams, highlighting the losses to retail traders in the city centre as a result of the traffic problems from the project. Latest forecast of costs and timetable given. The West End Traders Association says there needs to be a full scale public inquiry into the trams. Herald 10 May
- "The outcome of mediation talks on the contractual dispute over the Edinburgh trams project is to be revealed within the next week. A meeting is to be held on Monday at the City Chambers to brief councillors on the latest issues involving Tie and contractors Bilfinger Berger." BBC 11 May
- Mediation talks: The tram project is "moving forward" once more, it was claimed yesterday, but only at the expense of a 10-month closure of Princes Street Mention of Audit Scotland report. Daily Telegraph, Daily Express 12 May/ "The dispute that has delayed Edinburgh's tram project for two years has been partially resolved it was announced. Times, Daily Mail, Star., herald, Scotsman, Metro 12 May, Evening News
- Traders in Edinburgh have called on the council to ensure they are compensated as Princes Street is closed for up to 10 months to re-lay tram tracks. Herald, Scotsman, Daily telegraph, Record, 13 May, Evening Times
- More than 80% of the total budget for the Edinburgh tram project has already been spent. BBC 13 May
- Chief executive Sue Bruce said a decision will be reached in June regarding Edinburgh's tram project. The project could face cancellation if the route cannot be completed to St Andrew's Square. Scotland on Sunday, Daily Telegraph, Times, Sun, Scotsman, Herald 16 May/ ./ Fears the scheme will have to be axed." Daily mail, Daily express, Scotsman 18 May, Evening News, Evening Times

- Princes Street is facing a ten month closure to traffic to allow for the completion of Edinburgh's £545 million tram scheme. Some retailers are demanding compensation for the closure. Scotsman 14 May, Evening News
- City council leaders will calculate the cost of scrapping the Edinburgh trams project ahead of a final decision next month on its future. Daily Telegraph, Times, metro, Daily mail, Daily express, herald, Scotsman, Record, P&J, Courier, BBC 17 May
- Edinburgh City Council's leader said a number of potential funding options are now being explored, including some form of tax incremental financial scheme as well as a private finance initiative
- TIE chief exec Richard Jeffrey is leaving the group with a £155,000 pay-off. Audit Scotland has been highly critical of the lack of leadership demonstrated by TIE throughout the Edinburgh tram project. Evening News/ Blame has fallen on arms-length organisation TIE for both the poor management and excessive costs of Edinburgh's tram scheme. The project is only 28% completed, having used 62% of its budget. Sunday herald/ Edinburgh Trams has yet to formally contact Transport Scotland regarding the lease of 10 of their 27 inactive trams to Croydon Tramlink; an opportunity to gain return whilst the tram project is delayed. Sunday post/ Public audit committee chairman Hugh Henry has blamed Transport Scotland for the Edinburgh tram project's excessive costs. Costs are expected to amount to £700million if development continues. Daily Mail 21 May
- "Tram chiefs spent £13,000 on hotels and expenses as they tried to find a solution to the crisis-hit Edinburgh project." Herald, Record 27 May, evening news
- Edinburgh: article arguing the case for continuing with the Edinburgh tram project. Scotsman 30 May
- Edinburgh: The four non-executive directors of TIE have reportedly resigned their positions. There is speculation that the council may take the project in-house. Scotsman 1 June / TIE directors expected to leave shortly. Growing speculation from 'sources close to the project' that it may be put on hold. It is uncertain whether councillors will be told the expected final cost of completing the first tram line. Likely to be three options: borrowing to ensure completion, complete cancellation and sale of infrastructure, mothballing until economy recovers.
- TIE have been working on the basis that the national free bus pass scheme will be extended to the trams, but the Scottish Government has pledged not to 'spend a penny more ' on trams and said it has still to make a decision on extending the concessionary travel scheme. Mention of Audit Scotland. Daily Mail 2 June
- If the Edinburgh tram project were cancelled, much of the work would need to be reversed, something which would inflate the costs of cancelling the project considerably. Evening News
- The planned tram works on Princes St, Edinburgh were originally to commence in July 2011 but will now take place in September 2011. BBC 6 June

#### 16. **Education** related articles:

- The ForArgyll website said questions have been asked about the calibre of legal advice supporting councillors' actions in school closure proposals. 16 May/ Speculation about Audit Scotland's attendance at a council meeting and position on school closures. Also mentions Best Value and audit. For Argyll website 5 June

- Councils cut almost 100 quality improvement officers in two years. Daily Express 17 May
- COSLA said teaching unions' threat to take industrial action in protest at changes to their pay and working conditions is threatening children's education. Scotsman 17 May
- Scottish teachers' working conditions could be radically changed under a shake-up proposed in a document from Cosla, obtained by BBC Scotland. The council body's report outlined plans which could cut holidays, end a 35-hour week and threaten job security.
- It has been warned that councils will be unable to provide jobs for the 3,214 teachers currently requiring posts after their probationary year. The Scottish Government has dismissed these claims, insisting there are enough jobs to go around. Mail on Sunday
- Education unions hit out last night after a leaked memo revealed plans for a radical shake-up of teachers' pay and conditions - including cutting holidays, Sun, Scotsman, P&J, Courier, Herald 24 May/ Teaching unions will hold a rally outside the Scottish Parliament today demanding protection for jobs and education funding Courier 24 May
- Article: "More teachers, more money and fewer hours have not provided Scotland with the education we need and deserve." Mention of Audit Scotland's report on the McCrone deal. Scotsman 24 May
- Western Isles council begins a legal challenge to the Scottish government on school closures. BBC 2 June
- Council leaders yesterday told Scotland's Education Minister that they would only agree not to close rural schools for a year if he gave them more money. Daily telegraph, Daily Mail, Daily Express, Sun, metro, herald, Scotsman, P&J 2 June/
- Councils will not be given extra money to keep rural schools open, Scotland's Education Secretary said yesterday. Herald 3 June
- Articles about individual councils' school building plans. (Highland, Fife, South Lanarkshire) P&J, Courier, East Kilbride Mail

17. Articles relating to **the Scottish Government and council finances:**

- Sir John Elvidge said that he does not believe that the Scottish Government will be able to honour all spending commitments made during the elections in May. This comes as councils estimate that by 2016 there will be a £2.5 billion gap between their income and expenditure. Scotland on Sunday 5 June
- The severity of the 2010-2011 winter has forced many councils to overspend. Fife council paid £7.581 million on winter maintenance, an overspend of 106%. Angus Council spent £3.819 million, which is 83% over-budget. Meanwhile Dundee City Council projects a total overspend of £2.414 million. Evening Telegraph

18. There have been various local articles about **councillors' expenses.**

19. The following is a limited selection of some other issues being covered in relation to **individual councils and other organisations:**

- **Edinburgh** property repairs investigation: Further information on the investigation and allegations, with editorial comment on the next steps for Sue Bruce and the director of services. Evening News 10 May/ Edinburgh: Six more people in the department have been suspended, leaving almost half the

department subject to investigation following corruption claims. Herald 12 May, Evening News 11 May/ Article in Private Eye stated “Eight members of Edinburgh City Council’s property conservation department have been suspended following the discovery that £300,000 worth of conservation work will have to be redone. It now emerges that the city’s conservation department has failed properly to scrutinise the building work it has initiated, that substandard materials have been used and substandard work carried out. The use of cheaper materials for roof repairs for example has meant that the work will not last for 20 years, as the council specifies. But of course the owners have been charged for the full cost of the work as it was supposed to have been carried out.” / Extract from a copy of email to staff about the audit. Evening News/ A planning officer has also been suspended. It has also been alleged that key documents are yet to be found. It is thought problems could date back to 2005. Evening News 6 June

- Edinburgh: Private contractors brought in to help out during the Capital's bin dispute have cost the city more than £3.5 million. Evening News
- **South Ayrshire:** Major investigations into two council departments have already cost more than £100,000. Council insiders say claims of financial mismanagement which could date back years are being investigated. Councillors are growing increasingly frustrated at the lack of information. The council chief executive says they expect both investigations to conclude within the next couple of months. Three expert investigators have been hired to help. He also said the council is mindful of best value but the priority is to deal with the issues raised in the best possible way and in line with the relevant procedures. Ayrshire Post 20 May
- Five employees from South Ayrshire Council employees have been dismissed following an investigation into breaches of Council policies and procedures and internal disciplinary hearings. Council website 6 June
- **Western Isles:** Police are to investigate the tendering process to provide accountancy services for a body set up to build and operate six new schools in the Western Isles. It follows a complaint that the tendering process was not carried out fairly. BBC 17 May/ Northern Constabulary confirmed that they were carrying out inquiries in regard to allegations of improper tendering processes. Stornoway Gazette 17 May, P&J 16 May
- **Aberdeen City and Aberdeenshire** councils have both stressed the need for extra government funding in order to tackle poverty. The Government’s new funding formula could mean an extra £4.1million for the former if it is implemented. Evening Express
- SNP members unanimously voted Callum McCaig to be leader of the SNP group at **Aberdeen City Council**. He replaces Kevin Stewart, who is now an MSP. The SNP won a by -election and is now the biggest group on the council. McCaig is also now convener of the finance committee. P&J 24 May
- Aberdeen City Council may axe their £164,500 transport management system, saving £14,000 per year in maintenance costs, proposing instead to share a system with Aberdeenshire Council. Evening Express.
- Councillors in Aberdeen have rubber-stamped a key document which is set to shape all development in the city centre for the next 25 years. P&J 25 May/ Plans to ask businesses in the centre of Aberdeen to contribute to a special fund to revitalise the area have moved to the next stage. P&J 25 May
- **Aberdeenshire Council** is reviewing schools, with those deemed unfit for purpose or running below capacity facing mergers and shut downs in a bid to improve education quality and trim £51million from its budget over the next two years “P&J, Evening Express

- Aberdeenshire Council's new building standards focus on generating green energy. They are predicted to add £25,000 to the price of a home, cost £1.15billion over this term of the Scottish Parliament, and generate £69million. P&J 28 May
- **Perth & Kinross:** "Perth yesterday stepped up its bid to regain its city status when it submitted an entry for a UK-wide competition" Sun, herald, P&J 27 May
- Labour party members in **Inverclyde** have chosen Iain McKenzie as their candidate for the by-election to represent the area at Westminster. He has served as a local councillor since 2003 and has been the leader of Inverclyde Council since February
- **Argyll & Bute Council** agreed at an Executive meeting on April 21 to cut a number of bus services, without consulting the bus company or affected communities. Dunoon Observer 6 May
- **South Lanarkshire Council** has decided to close 118 play areas, allowing them to reinvest £590,000 over five years into the remaining 239 to tackle damage caused by poor maintenance and vandalism. East Kilbride Mail
- England: Suffolk County Council has put on hold its controversial plans to outsource almost all its services to the private and voluntary sectors. Public Finance
- Whilst statistics seem grim, a detailed analysis of **West Dunbartonshire's** policies on unemployment uncovers a self-proclaimed spend-to-save approach to permanently resolving the issue in the area." Feature on the area, prompted by a UK-wide survey by the TUC which found that it had some of the worst unemployment statistics in the whole of Britain. Sunday herald
- The Scottish Government has set aside £50,000 for **Dundee Council's** Fiscal Work Order scheme; an initiative focused on using community service as a constructive alternative to jail for young offenders. Evening Telegraph
- Scotland's councils have managed only a tiny increase in the amount of waste they recycle. Daily Mail 25 May/ Councils missed a government target on the amount of waste they were expected to recycle last year, P&J 25 May
- Areas of **Fife** that received a fourth rubbish bin as part of a region-wide rollout have reported some of the highest recycling rates In the world, according to new research. Courier 27 May
- **Dumfries & Galloway:** "Climate change targets imposed on the region will force the council to spend an extra £400,000 each year to offset its emissions." Annandale Observer
- Irvine Incorporated Trades and Irvine Housing Association set to be included in talks about possible takeovers of halls and libraries in **North Ayrshire**, as the council still faces pressure to make closures. Irvine Times
- **Highland:** A sheriff court has been told an Inverness councillor accused of benefit fraud had thousands of pounds in bank accounts and investments - but failed to declare any of them to the local authority. P&J 3 June
- **Scottish Borders** Council has begun a review of the impact of changes to its charges for social care services. BBC 1 June
- Scottish Borders Council will be able to spread the losses incurred from its investment in two failed Icelandic banks over the next five years.
- **Renfrewshire** Council is considering a move to cut the number of direct hours of teaching received by children a week, instead using adults who are not qualified teachers to work on alternative subjects with the children. This has come despite overwhelming opposition from both parents and teachers. Evening Times

- Preparations for **Glasgow's** 2014 Commonwealth Games are "firmly on track", according to the event's organising committee. In its first progress report, the committee said venues were starting to take shape and key infrastructure was being put in place. BBC 1 June, Evening Telegraph
- Various articles about councils' expenditure on **credit cards** and the Treasury's spend on government procurement cards. Including comments from Local Government Minister Eric Pickles.
- Letter from the coalition government to councils outlining ministers' intention to **outsource the Audit Commission's** in-house audit work from 2012/13. Public Finance 2 June/ Audit staff at the Audit Commission are to launch a joint business venture and bid for work against other private firms. Public Finance 3 June

### Recent publications

20. The Audit Commission published expense claims and an explanation of its spending with suppliers.

### Conferences

- **Scottish Public Sector Budgets: Finding the Savings**  
MacKay Hannah: 21 June, Linlithgow  
5th annual public sector budgets conference  
Speakers include: Sue Bruce (Chief Executive, Edinburgh City Council) and Robert Black (Auditor General for Scotland).



**ACCOUNTS COMMISSION**

**MEETING 16 JUNE 2011**

**NOTE BY ACTING SECRETARY AND BUSINESS MANAGER**

**BEST VALUE AUDIT AND INSPECTION OF STRATHCLYDE POLICE AUTHORITY AND FORCE**

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**Purpose**

1. The purpose of this paper is to introduce the report of the Best Value audit and inspection of Strathclyde Police Authority and Force. The Commission is invited to consider the report and decide which of the options for action it wishes to take.

**The report**

2. This report is the fourth joint Best Value audit and inspection report to be produced by the Controller of Audit and Her Majesty's Inspector of Constabulary for Scotland (HMICS). The process has been influenced by the latest developments arising from the joint scrutiny planning process and BV2 development, and by the evaluation of the two pilot police Best Value audits.
3. Insofar as the report relates to the Board, it is made by the Controller of Audit under section 102 of the Local Government (Scotland) Act 1973 as amended by subsequent legislation, including the Local Government in Scotland Act 2003. The report is made by the Controller of Audit to the Commission. The report is also being sent to the Police Authority, which is comprised of elected members from the twelve constituent councils – Argyll and Bute, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire, and West Dunbartonshire. The Authority is required to supply a copy of the report to each member of the Authority and to make additional copies available for public inspection.
4. The Accounts Commission and HMICS each have statutory powers to audit and inspect BV in police authorities. The Commission is only able to take action in relation to the best value audit of the police authority, in this case the Joint Board. HMICS's judgements, relating solely to the police force and Chief Constable, are outside the Commission's remit. HMICS is directly accountable to Scottish Ministers.
5. The legislation provides that, on receipt of a Controller of Audit report, the Accounts Commission may do, in any order, all or any of the following, or none of them:
  - (a) Direct the Controller of Audit to carry out further investigations;
  - (b) Hold a hearing;
  - (c) State its findings.

**Consideration of the report**

6. The Controller of Audit and members of the audit team from Audit Scotland will be present at the Commission meeting to answer questions, along with Andrew Laing, HMICS, and HMICS staff.

7. If the Commission considers that it requires further information to proceed with its consideration of the report, it may direct the Controller of Audit to carry out further investigations. If the Commission is satisfied with the information which it has, it may wish to proceed to make findings unless members consider that a hearing is necessary.
8. The circumstances in which the Commission may wish to hold a hearing are likely to include:
  - where the Commission has serious concerns about the performance of a local authority as demonstrated in the audit report
  - where there is a strong difference of opinion between the Controller of Audit and the local authority.
9. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make enforcement Directions requiring authorities to take such action as is specified in the Direction.
10. HMICS may also wish to add findings to the report in respect of the police force.

### **Media**

11. Once the report is sent to the Authority it is effectively in the public domain and may attract media interest. As with council Best Value audits, it is not intended that any media comment should be made by the Commission until it has deliberated on the report. The approach to media presentation will be agreed between the Commission and HMICS in order to ensure that the joint report together with any findings agreed by the Commission have the maximum impact in promoting improvement in police services.

### **Conclusion**

12. The Commission is invited to:
  - consider the joint report by the Controller of Audit and HMICS on the Best Value audit and inspection of Strathclyde Police Authority and the Force; and
  - decide how it wishes to proceed.

Gordon Smail  
Acting Secretary and Business Manager  
8 June 2011



# Strathclyde Police and Strathclyde Police Authority

## Best Value Audit and Inspection

June 2011

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# Commission findings

# HM Inspector of Constabulary for Scotland findings

# Introduction

This joint report is made by the Controller of Audit to the Accounts Commission under section 102(1) of the Local Government (Scotland) Act 1973 and by Her Majesty's Inspector of Constabulary for Scotland (HMICS) under section 33 of the *Police (Scotland) Act 1967*.

*The Local Government in Scotland Act 2003* introduced new statutory duties relating to Best Value and Community Planning. Its provisions apply to local authorities, including police authorities, and require specifically that:

- councils and police authorities secure best value (defined as achieving continuous improvement in the performance of functions)
- police authorities and chief constables participate in the community planning process.

The Act also amended the audit arrangements set out in the *Local Government (Scotland) Act 1973* to cover best value and gave powers to the Accounts Commission to examine best value in police authorities. HMICS has a statutory duty under section 33 of the *Police (Scotland) Act 1967* to inspect police forces and common police services, and to report to ministers on their state and efficiency. The 2003 Act extends this to include provision for HMICS to inquire into and report to Scottish ministers on whether a local authority is carrying out its functions both as a police authority and in relation to a number of matters including best value.

The 2003 Act is supported by more detailed statutory guidance on Best Value and Community Planning, and a series of advisory notes on specific topics such as elected member leadership. This guidance is designed to be descriptive rather than prescriptive, defining the goals that organisations should aim for but allowing them local discretion on the methods and routes they use. The Scottish Government has issued further guidance for police authorities and forces. This guidance includes *Justice Department Circular 11/2003 Best Value Guidance and the Guidance for Members of Police Authorities and Joint Boards* (June 2007).

The scope of Best Value and Community Planning is broad and the guidance and statute indicate that a successful police authority will:

- work in tandem with the chief constable to develop a clear set of priorities that respond to the needs of the community in both the short and longer term
- be organised to support the delivery of these priorities
- meet, and clearly demonstrate that it is meeting, the community's needs
- operate in a way that drives continuous improvement in all its activities.

Similarly, a successful police force will:

- work with its partners and the police authority/police authorities to develop a clear set of priorities that respond to the needs of the community in both the short and longer term
- be organised to deliver these priorities
- meet, and clearly demonstrate that it is meeting, the community's needs
- operate in a way that drives continuous improvement in all its activities.

The key objectives of this joint audit and inspection were to:

- assess the extent to which Strathclyde Police Authority and Force are meeting their duties under the Local Government in Scotland Act 2003 and complying with Scottish Government guidance
- agree planned improvements with the local authorities, force and the board, to be reviewed by external auditors and HMICS on an on-going basis.

As Best Value and Community Planning encompass a wide variety of activities, it is not realistic to audit or inspect everything in depth. For this reason we planned our detailed work in three ways:

- where possible we drew on the findings of other scrutiny processes, such as the work carried out by other inspectorates
- we considered four of the force's divisions in more detail to ensure the audit and inspection took account of the different contexts and policing demands
- we selected certain aspects of the force's and board's performance for detailed investigation. We used a wide range of sources, including the force and board's own assessment of their performance, reports issued following external audit and inspections and the Scottish Policing Performance Framework (SPPF) to assess risks and scope our work to inform this selection.

Our joint report reflects this proportionate approach, with detailed commentary in some areas and more limited coverage in others. It also presents the picture we found at the time our main audit and inspection work was conducted, in January 2011. The report includes a corporate assessment of the Authority<sup>1</sup>, incorporating the police authority office<sup>2</sup> and the force<sup>3</sup>, while the performance assessment covers only the force.

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<sup>1</sup> Authority – the joint police board of Strathclyde Police, made up of 34 locally elected councillors representing the 12 councils that make up the Strathclyde area

<sup>2</sup> Police authority office – support function for Authority, headed up by Chief Executive

<sup>3</sup> Force – Strathclyde Police Force



We gratefully acknowledge the co-operation and assistance provided to the team by Councillor Stephen Curran, Convener of Strathclyde Police Authority; Chief Constable Stephen House, Strathclyde Police; Keith Mannings, Authority Chief Executive; and all other elected members and staff involved. We are also grateful to the representatives of the twelve councils and the force's community partners who agreed to participate in the audit and inspection process.

## **The tripartite arrangements and police authorities' leadership role**

The force is governed through a tripartite arrangement between the Chief Constable, Strathclyde Police Authority ('the authority'), and Scottish ministers. As the force covers more than one local authority area, a joint police board comprising members from the twelve constituent authorities acts as the police authority. Scottish ministers have responsibility for national policy on law and order as well as the power to regulate on various policing matters including pay and conditions. Strathclyde Police Authority is responsible for setting the police budget, holding the chief constable to account and ensuring that best value is achieved. The chief constable is responsible for the operational aspects of policing within the force area.

The effect of these arrangements is that the board and the chief constable, although they have different roles, must work in tandem to achieve best value. In this report, we only make judgements on the authority and force, but all parties to the arrangement, including the Scottish ministers, have responsibility for the overall performance of the police service.

Constituent authorities are responsible for appointing the members of a joint board and for allocating funding. The board is a separate legal entity and councils have no separate residual responsibilities beyond appointing members and funding.

The existing guidance for policing (*Circular 11/2003 and Guidance to Members, June 2007*), sets out expectations of the board. This can be found at Appendix 1 of this report.

# Summary

## Overall conclusions

1. Strathclyde Police (the force) has a clear and realistic vision for what it wants to achieve for its communities. It is delivering a good level of policing addressing the issues which most affect its citizens and their quality of life. The force and Strathclyde Police Authority (the authority) should develop a joint approach to the production and setting of policing priorities and key strategies. There is a need to establish more effective joint working between the authority, police authority office and the force to ensure that they are delivering best value.
2. Authority members have a good understanding of local community issues but they have not been active in developing policing priorities in partnership with the chief constable. Scrutiny of the force is inconsistent. The authority is kept well informed about finance, staffing and asset management and has provided effective challenge on some key strategic decisions such as workforce modernisation. However, there is limited monitoring of the force's approach to partnership working and community engagement activities and the authority does not proactively seek the information it needs to hold the force to account for its use of resources and improvement activity (including savings and efficiencies).
3. The authority has demonstrated good self-awareness and recognises that it needs to improve its approach to best value. Members requested the chief executive, on his appointment, to carry out a review of authority governance to assess how effectively the authority was fulfilling its duties of best value. It has not engaged effectively with the force over its planned changes following the review. Improvements are needed in the support provided to members. Progress with implementing the review's recommendations has been slow and improvements are needed in the management of authority business. Members need to establish arrangements for assuring themselves that best use is being made of the support resources available to them, which are not yet adding sufficient value.
4. Strathclyde Police has a clear vision of what it wants to achieve for the Strathclyde area. The vision is informed by the views of those communities, as well as nationally agreed priorities, which take account of available resource and organisational capacity to deliver against them. This consultation is also used to develop local policing plans.
5. The chief constable and the force executive provide effective and visible leadership based on clearly articulated strategic aims for policing in Strathclyde which are well understood throughout the force. A performance management culture is embedded throughout the organisation supported by a comprehensive performance management framework which is well integrated with the force's service planning and delivery arrangements.
6. Since his appointment, the chief constable has established a corporate change programme with a strong focus on reducing cost and improving efficiency. This change has been primarily aimed at focussing resources around community policing and has impacted on organisational and management

structures within the force. The force needs to further develop its approach to the strategic management of change by ensuring that staff are fully engaged in the change process, critical success factors are identified and the impact of change is subsequently evaluated to ensure that it has delivered its intended outcomes. Overall resilience in both police command structures and police staff responsibilities needs to be considered as the force takes forward its change programme.

7. The force has effective financial controls and well established processes for setting and monitoring budgets but, along with other Scottish forces, it needs to continue with its work to develop a better understanding of the cost of policing activity through the development of police objective analysis.
8. Service performance is good. The force is performing well against its priorities. Between 2006 and 2010 crime numbers have fallen and detection rates have increased. This improvement includes positive progress on reducing antisocial behaviour, violent crime, acquisitive crimes (eg fraud and theft) and vandalism. Despite violent crime being at its lowest recorded level and detection rates at their highest level for seven years, the impact of violent crime on the communities of Strathclyde remains disproportionate. In 2009/10, the Scottish average for violent crimes per 10,000 of population was 21.7, whereas Strathclyde was 30.8 for the same period. This highlights the significant societal and policing challenges for Strathclyde.
9. The force has a well-developed approach to equalities which reflects a good understanding of the issues affecting its diverse communities.

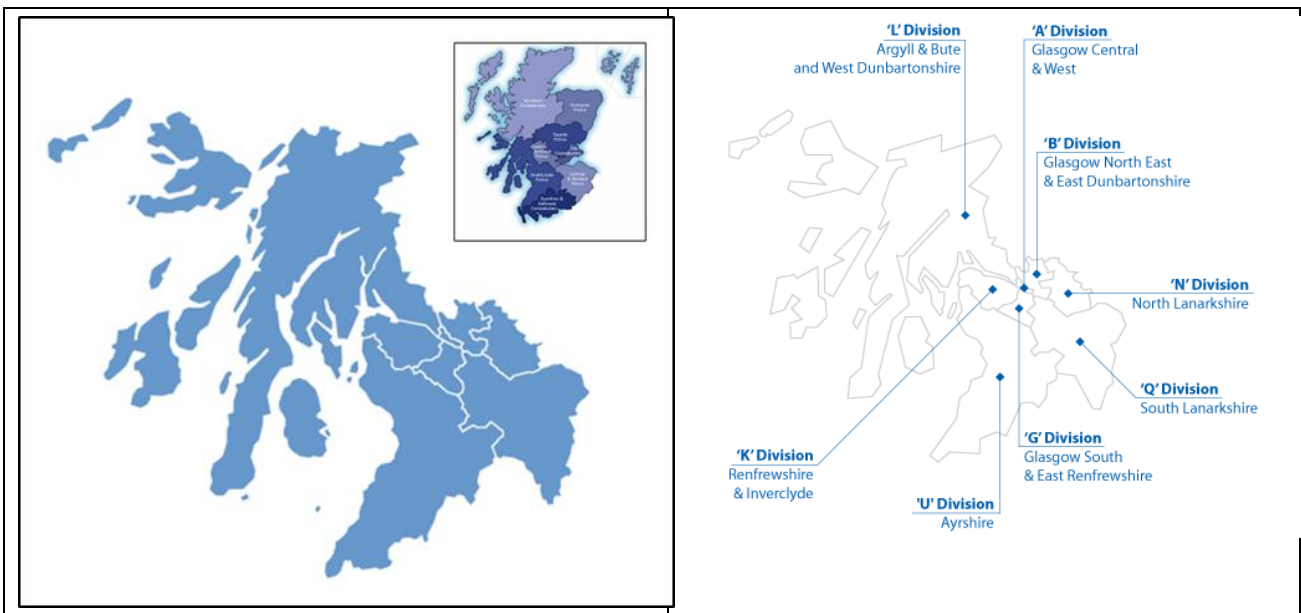
# Part 1: Context

## The local context

10. Strathclyde Police Authority and force covers twelve different councils spread over 5,370 square miles (Exhibit 1). The population is around 2.2 million people, accounting for 42.7 per cent of the Scottish population. The region includes both densely populated urban areas and large areas of remote countryside and island communities. It also has significant social and demographic diversity and includes some of the most deprived areas in Scotland alongside some of the most affluent. This diversity presents specific challenges for policing, including contrasting community needs, competing priorities and demands on resources.

### Exhibit 1

#### Strathclyde Police Area and force divisions



Source: Strathclyde Police and Scottish Government

11. Almost half of all crimes recorded in Scotland occur in the Strathclyde area. The economic and social context influences the policing priorities for the area: youth gangs, high levels of drug related crime and violent behaviour are prevalent across many of the densely populated areas in the force. The impact of high levels of alcohol consumption and dependency have a similar effect on all types of crime and antisocial behaviour. The majority of known serious and organised crime groups in Scotland operate in and from the Strathclyde area.
12. As well as the area's demographic and geographic diversity, there are a number of distinct features, which affect policing across Strathclyde. Glasgow is the largest city in Scotland and one of the largest in the UK. The city attracts significant numbers of visitors and has a large transient population due to

the number of educational institutes. There are also challenges provided by the transport links across Strathclyde, including two international airports, substantial rail and road networks, and a variety of ferry services. This places significant demands on police resources.

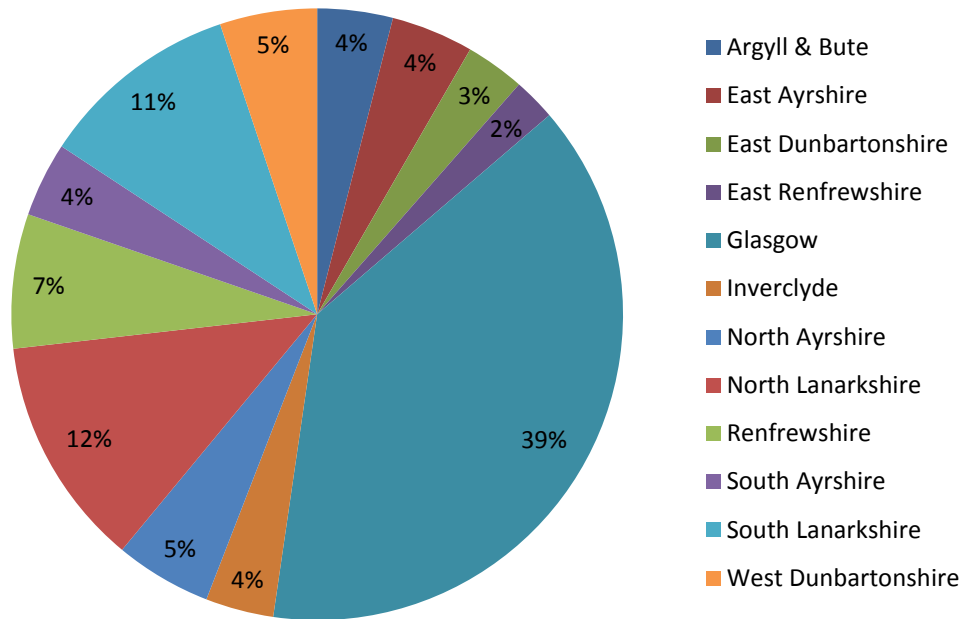
13. The city is set to host the Commonwealth Games in 2014, with training and event facilities located across much of the Strathclyde area. It will host a number of football fixtures as part of the 2012 London Olympic Games. There are also numerous regular interest group marches in and around the Glasgow area, which present specific public order challenges.
14. Glasgow has a diverse cultural and leisure industry, including a number of major sporting venues, including those of the two most high profile football clubs in Scotland attracting fans and media attention from all over the world. Unfortunately, the sporting rivalry this generates has historically been used as an excuse for unacceptable sectarian behaviour by sections of fans from both clubs. This repeatedly occupies a significant amount of time, effort and resources by the force to deal with the direct impact on match days themselves and the wider societal problems this generates, including issues such as domestic abuse and other violent crime.

## Strathclyde Police Authority

15. Strathclyde Police Authority's primary role is to ensure that Strathclyde Police is accountable for the services it provides. It is the largest joint police board in Scotland made up of 34 elected members from 12 councils:
  - two each from Argyll and Bute, East Ayrshire, East Dunbartonshire, East Renfrewshire, Inverclyde, North Ayrshire, Renfrewshire, South Ayrshire and West Dunbartonshire
  - four each from North Lanarkshire and South Lanarkshire
  - eight from Glasgow City.
16. The authority is responsible for a revenue-policing budget of approximately £440 million. It is funded 51 per cent through specific grant funding from the Scottish Government and 49 per cent through agreed contributions from constituent local authorities ([Exhibit 2](#)). Within this overall budget, £1.3 million is set aside for the authority's own running costs. It employs eleven staff in a range of managerial, policy support, committee administration, communication and administrative roles. The authority also provides the secretariat function to the Scottish Police Authority Convenors Forum. Its organisational chart is shown below ([Exhibit 3](#)).

**Exhibit 2**

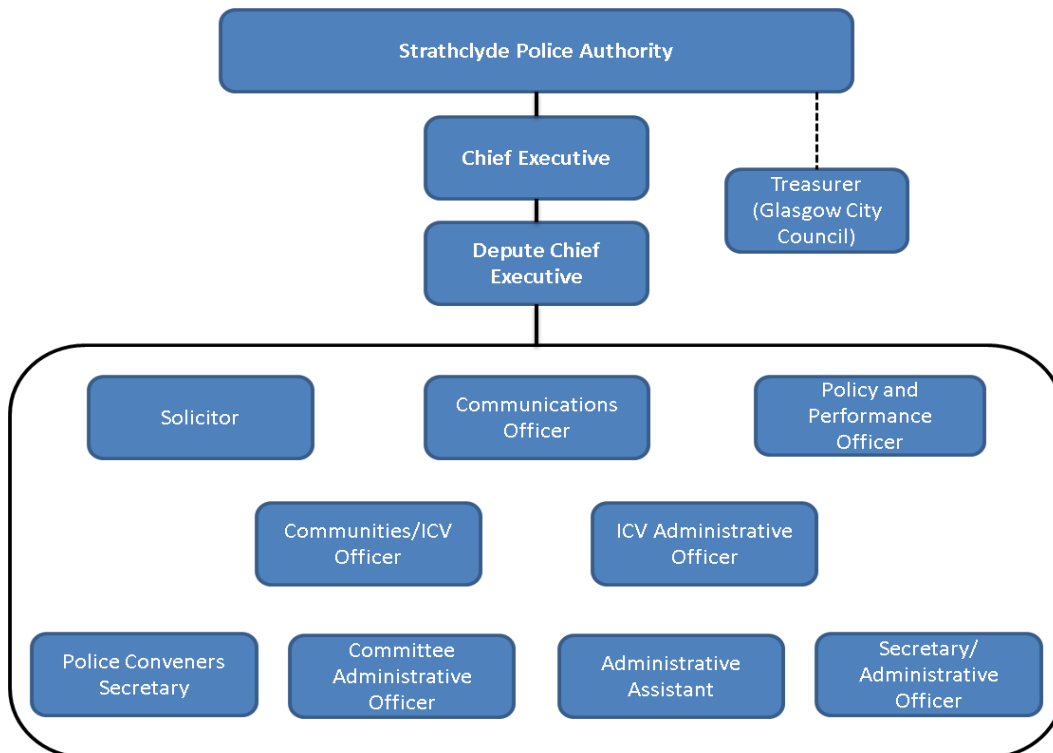
**Constituent council budget contributions**



Source: Strathclyde Police Authority

**Exhibit 3**

**Strathclyde joint police board/authority staffing structure: 2011**

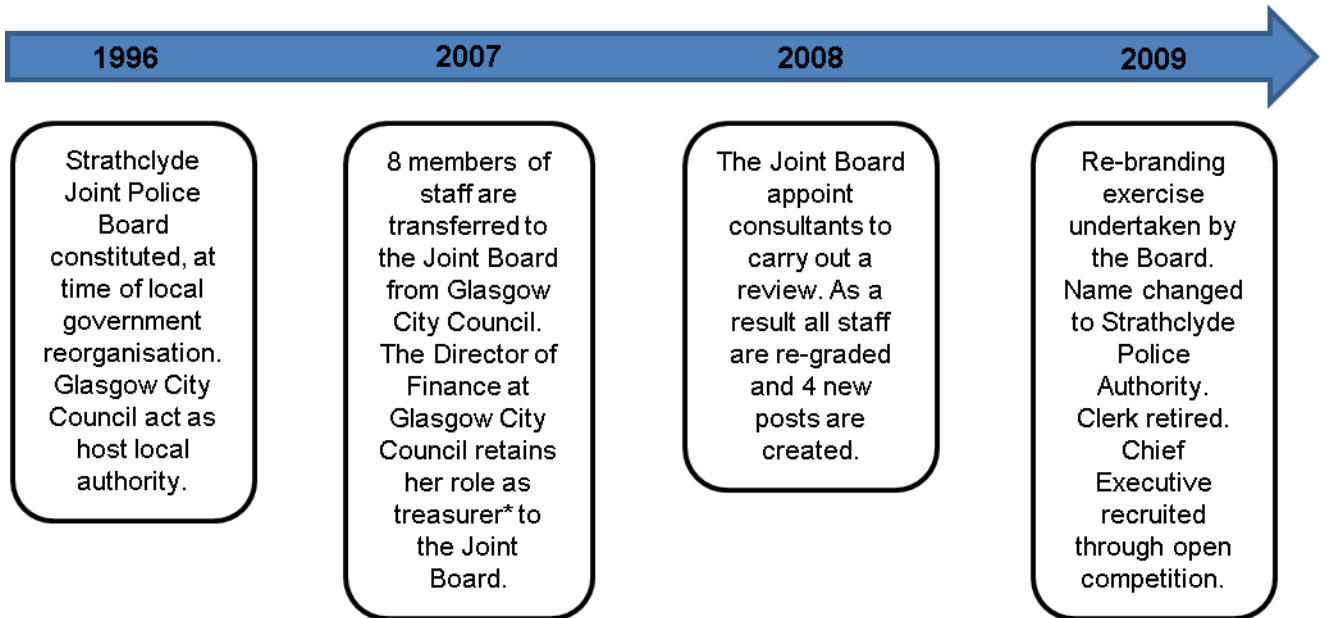


Source: Audit Scotland

17. Strathclyde Policy Authority (previously known as Strathclyde Joint Police Board and still statutorily constituted as a joint police board) has gone through a series of organisational and constitutional changes since 1996. These are summarised in [Exhibit 4](#), below.

#### Exhibit 4

##### Organisational and constitutional changes within Strathclyde Joint Police Board/Authority: 1996-2009



\* Glasgow City Council retained the Treasurer's role as there were no staff with an appropriate accountancy qualification within the joint board who could exercise the statutory Section 95 role. This is the role of 'proper officer' under section 95 of the Local Government (Scotland) Act 1973 with responsibility for ensuring the proper administration of financial affairs. This is generally not a full-time role in joint boards but is undertaken by a nominated council Director of Finance or equivalent professional.

Source: Audit Scotland

18. The creation of the dedicated support function of staff directly employed by the joint board in 2007 was driven by the then clerk to the board, who considered that these new arrangements would improve the quality of support to board members. The 2008 re-grading exercise and creation of additional posts, was based on consultants' advice and a report from the clerk identifying a lack of resilience and capacity for additional work within the support arrangements at that time.
19. The most recent changes in 2009, when the joint board rebranded itself as Strathclyde Police Authority and appointed a chief executive, were driven by the previous convener. His 'vision' was of a modernised joint board which was more effectively discharging its obligations and making fuller use of the powers available to it in areas such as community engagement and partnership working. Unfortunately, not all authority members were clear about the need for the rebranding exercise or the previous convener's vision for the authority. The convener has since left the authority and there were limited discussions with the force around the changes. This has contributed to difficulties in relation to elected member understanding of and commitment to the on-going change programme within the authority and has led to missed opportunities in relation to improving joint working with the force.

20. In 2009, the authority instructed the chief executive to carry out a review into the governance, accountability, scrutiny and oversight by Strathclyde Police Authority for Strathclyde Police. The review was first reported to the authority in June 2010 and the improvement plan arising from the review was agreed in August 2010. The improvement plan contains 14 recommendations designed to improve performance across a range of fronts (joint working with the force, scrutiny, community planning, member training and a number of internal management matters such as the procurement of treasury management services). This is discussed in more detail in the governance and accountability section of this report.

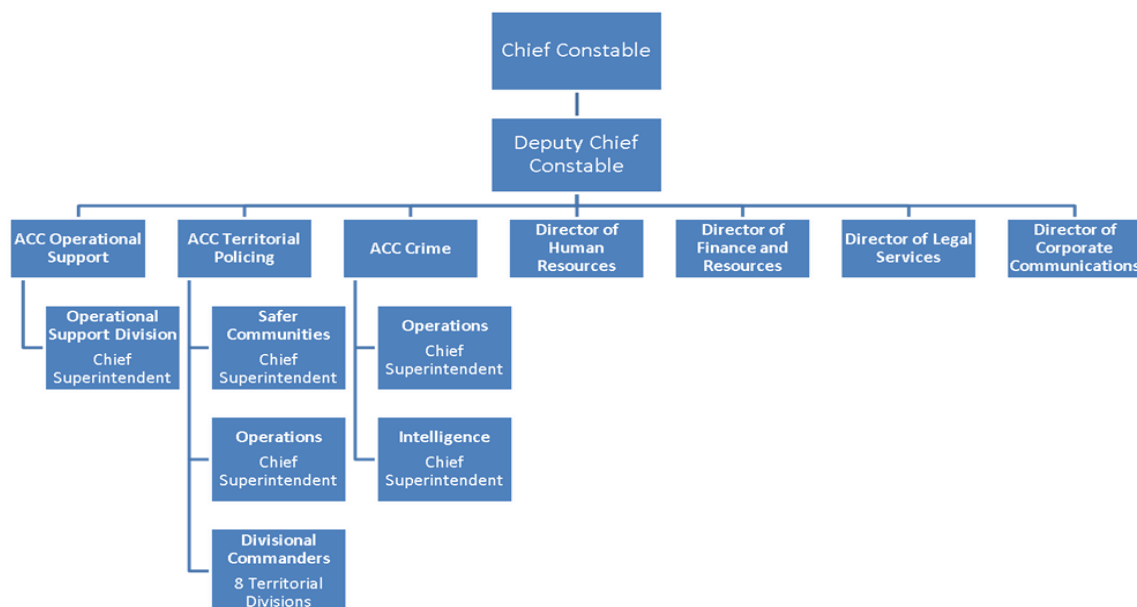
## Strathclyde Police

21. Strathclyde Police is Scotland’s largest police force, and one of the biggest in the UK. It currently has around 8,000 police officers, around 2,600 members of police staff and the services of approximately 570 special constables.

22. The force is led by the chief constable, supported by a force executive, comprising of the deputy chief constable, assistant chief constables and directors ([Exhibit 5](#)). Members of the executive each have specific areas of responsibility or portfolios for different business areas such as crime and operational policing or finance and HR.

### Exhibit 5

#### Strathclyde Police Force Organisational Structure



Source: HMICS



23. Policing in Strathclyde is divided into eight geographical areas ([Exhibit 1](#)) – known as divisions – each covering a number of multi-member council wards. In certain divisions they cover more than one council area, while the Glasgow City Council area spans three separate divisions. The force also has a number of non-territorial, function specific divisions and service groups such as operational support, crime and HR.

# Part 2: Corporate assessment

## Vision and strategic direction

### Strathclyde Police Authority

**The authority endorses and supports the vision and strategic direction established by the force for policing across the Strathclyde area, but it has not been actively involved in its development.**

24. The authority approves the force's policing strategy. Authority members endorse and are supportive of the vision and strategic direction for policing across the Strathclyde area. However, they have not been actively involved in working with the force to identify an appropriate vision, objectives or policing priorities reflecting their understanding of local community needs and concerns.
25. Given the good links authority members have with local policing area teams and the evidence that members have a good understanding of issues affecting their local communities this presents a missed opportunity for the authority to add value and demonstrate its strategic influence on policing priorities for the area. This is an essential element of authority members' duty of best value.
26. The authority is aware that it needs to make improvements in this area. Working jointly with Strathclyde Police to develop a long-term vision for policing for the area is an agreed improvement action arising from the chief executive's 2010 review of the governance, accountability, scrutiny and oversight by the authority of Strathclyde police. The introduction of the Strategic Planning and Performance Committee with a focus on future visioning will provide a forum for this to take place.

### Strathclyde Police Force

**The chief constable and the force executive provide effective and visible leadership based on clearly articulated strategic aims for policing in Strathclyde. These aims are informed by consultation and strong engagement with partners and local communities. However, the force needs to adopt a more collaborative approach with the authority to develop its strategic direction for policing. The chief constable has led a major programme of change to deliver efficiencies and create a stronger performance culture based on a community-based policing ethos.**

27. The strategic aims of policing in Strathclyde focus operational activity around the key issues affecting its communities, Alcohol, Violence Reduction, Domestic Abuse and Knife Crime. There is clear evidence of strong leadership by the chief constable in developing and delivering key strategies to address these issues. The force's strategy demonstrates a good balance between national and force priorities and is informed by, and reflects, the views of partners and local communities. Reflecting the need to work in tandem to deliver best value, the force and authority should develop a more collaborative approach to priority setting and developing key plans and strategies.
28. The force has a well-integrated planning process, with force priorities clearly identified and supported by robust planning and management arrangements. There is a clear alignment of performance reporting with these priorities. The Force Strategic Assessment 2010-13 outlines the threats and risks

and prioritises them accordingly. This approach ensures that the force priorities are clearly articulated and available to all staff and other stakeholders.

29. The chief constable set out his vision for modernisation of the force upon his appointment in 2007 and the change programme, which the force is undertaking, has been dramatic and has challenged the traditional approach and structure of Strathclyde police. The pace of change has been rapid and it is clear that the entire workforce has been considerably affected by the scale of the transformation and reorganisation necessary to achieve savings and efficiencies linked to the change programme. There was little evidence of a consultative approach to this programme.

## **Governance and accountability**

### **Strathclyde Police Authority**

**Scrutiny of the force is inconsistent. While use of resources (finance, workforce, assets) is scrutinised effectively and authority members have demonstrated robust challenge on some key policy changes there are important areas where scrutiny is limited. Members need better training and improved information to strengthen their scrutiny role.**

**Improvements are needed in the support provided to elected members and the management of authority business as there is little evidence that the current support arrangements are adding value. Progress with improvement following the chief executive's review of authority governance has been slow. Members need to demonstrate clearer leadership of this improvement agenda.**

30. The convener works productively with the chief executive, the chief constable and authority members. However codes of conduct and protocols have not yet been developed which would help clarify working arrangements and set out the specific roles that authority members, police authority office staff and officers from the force should play in the engagement between the authority and the force. The lack of clarity in this area is illustrated by instances where the chief executive has undertaken a scrutiny role on aspects of the force in relation to complaints and some policing operations. Developing these arrangements should lead to a better understanding as to how the authority and its police authority office can work more effectively with the chief constable and his staff to improve the quality of support provided to the authority to allow it to effectively discharge its support and challenge role.
31. Scrutiny of the force is inconsistent. While use of resources (finance, workforce, assets) is scrutinised effectively and some key policing strategies have been subject to rigorous challenge, there are important areas where scrutiny is limited, such as partnership working, community engagement and improvement activity within the force. There is a need to clarify members' roles at authority level in relation to scrutinising and challenging performance and key strategic developments within the force. Some members reported that a lack of clarity in this area made them reluctant to actively challenge on issues such as the introduction of the Integrated Service Delivery Model (ISDM) which they felt risked straying into the area of operational independence of the chief constable.
32. Key to making improvements in this area is the provision of improved training and support to members to help them gain a better understanding of their roles and responsibilities. The police authority office

has not provided authority members with sufficient training and development opportunities to date nor have members shown sufficient commitment to their own training and development needs. While the force offers training on key aspects of its operational work uptake by authority members has been poor. Reviewing Continuous Professional Development (CPD) and training requirements for members [and staff] to generate a suitable training, development and education framework for the authority was a recommendation arising from the chief executive's review. This is being progressed, however it is expected to be delayed pending outcomes from national policing structures work. It is essential that this work is taken forward quickly.

33. Authority meetings are open to the public and papers are readily accessible via its website. However, there are weaknesses in the management of authority business. Agendas can be lengthy and their structure can change during meetings to ensure the correct ordering of decisions.
34. The force submits papers up to five weeks in advance of authority meetings. This provides time for the police authority office to ensure they contain sufficient information and are in the correct format before being considered at pre-agenda meetings. The police authority office could do more during this period to provide additional policy advice and analysis for authority members. The elapsed time between submission of the reports by the force and members receiving the papers (often less than one week in advance of meetings) can lead to information being out of date, requiring update reports to be tabled at meetings. This limits authority member's ability to effectively scrutinise and challenge the content of those update reports which they are then reading for the first time. The authority should discuss options for improving support arrangements for authority members, including the timetabling for consideration of reports, with the force.
35. The authority is committed to improving how it does business. Following the chief executive's review it is changing its committee structure from June 2011. Two new committees are being established – strategic planning and performance, and community and citizen engagement. A new subcommittee for authority management (operation of the police authority office) is also being introduced. The aim of the new structure is to enhance the authority's management of business to provide authority members with the opportunity to undertake more effective oversight and scrutiny of strategic policing and performance issues.
36. The introduction of the new committees should provide a clear structure for authority members to develop expertise and focus on key areas, but training for members in their new roles will be needed if the introduction of these is to be successful. The authority should evaluate the impact and effectiveness of the new arrangements at an appropriate time after their introduction.
37. While improvements are being made to the governance arrangements in the authority through changes to committee structures and updating standing orders, overall progress with the improvement agenda arising from the chief executive's review has been slow. Oversight and challenge of the improvement agenda from members has been weak. Members need to demonstrate clearer leadership in this area and adopt a more robust approach to reviewing and challenging the progress that is being made.

38. Strengthened scrutiny and challenge of the authority's improvement agenda by authority members is needed as we have identified important areas where progress is being reported to the authority by the chief executive as having been completed but where we found no evidence that this is the case:
- jointly working with Strathclyde Police to develop a long-term vision for policing for the area
  - developing joint delivery strategies for supporting resource requirements and outcomes
  - scrutiny of force partnership working and community engagement activity.
39. It is also important that the authority assures itself that it is making the best use of the support resources it has available, which at present are not adding sufficient value. To do this it needs to establish arrangement for holding the chief executive to account for the performance of the authority's police authority office. The establishment of a subcommittee to consider authority management provides a forum for this to take place. This is an important area for development given the weaknesses we have identified in aspects of the operational support provided to the authority (eg the administration of committee agendas) and the need for improvement to be made in areas such as policy and performance advice to authority members.
40. The authority operates an Independent Custody Visiting Scheme (ICVS). The scheme ensures the welfare of people in custody is maintained. Visitors call at police stations unannounced and look at a number of issues from the treatment of detainees to the effectiveness of the custody process. Visitors report their findings to the authority so any indications of problems can be explored and resolved. The authority fully meets its specific obligations through the current ICVS scheme.

## Strathclyde Police Force

**Internal force governance structures are sound but the force's approach to managing change could be better coordinated. The force's major programme of change and streamlining of management structures has created risks around capacity, which need careful management moving forward. The force has a well-developed operational risk management process but needs to further develop its overall approach to corporate risk management.**

41. The introduction of the Force Governance Structure in 2010, to manage business areas was designed to provide oversight of the full range of work undertaken by the force. However some aspects of business change remain disjointed and would benefit from being brought together into a single strategy.
42. The chief constable's major programme of change to deliver efficiencies and create a stronger performance culture has included a clear emphasis on streamlining management structures, with fewer management layers and broader spans of control. This is reflected across all divisions and departments where changes to command structures have altered responsibilities and functions. The restructuring of divisional command teams has meant superintendents taking portfolio leads and chief inspectors assuming the role of area commanders. This is working better in some divisions than others due to factors such as the number of local authorities covered, operational demand and volume of work. While there appears to be a degree of coordination to the overall review of structures there was

no evidence of an overarching strategy outlining the desired aims and anticipated benefits of the new approach. The recent reduction from four to three assistant chief constables has meant some realignment of portfolio responsibilities and this will need time to settle before the full impact can be assessed.

43. We found evidence of differing views on the impact of the changes. Senior management are clear about the imperative for change in order to maintain performance and continue to provide a high level of service to the public at a time of significant reductions in police budgets. However, the combination of uncertainty over job security and concern over higher expectation of individual performance is clearly unsettling to a number of police officers and police staff. In particular, the possibility of redundancy for police staff or enforced retirement under Regulation A19<sup>4</sup>, Police Pension Regulations 1987, and reduction in numbers of managers/supervisors have caused considerable uncertainty for those potentially affected. The impact of the change programme presents a significant challenge in terms of maintaining morale and performance and is a potential area of vulnerability for the force unless managed effectively, with a transparent and inclusive approach.
44. The change programme has challenged some individuals beyond their capacity requiring extra effort on their part to maintain levels of performance. While this is manageable as a short-term measure it may not be sustainable in the longer-term. Any further centralisation of certain police staff functions and resources, such as business management and human resources would create potential additional workload pressures, as some aspects of the centralised activity may still need to be delivered at divisional level. The force needs to continue to monitor the impact of the change programme. This would enable the force to assure itself that changes to roles and responsibilities have not compromised its ability to deliver against force priorities or created risks associated with capacity and staff resilience.
45. During the 2009 force self-assessment exercise, the issue of communication with staff was highlighted as an area for improvement, specifically the communication of key messages to staff. The force acknowledges this as an area of concern and in an effort to improve communication has increased the frequency of its meetings with unions in 2011 from monthly to weekly to discuss developments and ensure staff are kept up to date with issues affecting them.
46. The force is also seeking to improve internal and external communication with a clearer focus on the impact of organisational change and the financial challenges facing the force. This has involved communicating specific information to staff via local communication champions, supported by seminars and local events. It also introduced weekly meetings with police authority office staff to improve the coordination of corporate messages. However, it is difficult to gauge the effectiveness of internal communication as the force has not undertaken a staff survey since 2007.

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<sup>4</sup> Regulation A19 (Police Pension Regulation – Release of Police Officers under regulation A19 which allows the authority to compulsory retire officers with over 30 years service)

47. The force has an internal communication process to facilitate the flow of information to all officers and staff. This includes an extensive intranet which provides a platform for the dissemination of information electronically. This is supported by other briefing tools which include email briefing 'Nformer', editorial 'Up Beat' and SPtv highlight issues affecting all levels of the organisation. Video conferencing is routinely used to improve efficiency and engage with staff throughout the force area. The force has had difficult and challenging messages to communicate to staff due to the uncertainty and lack of clarity around the detail on matters such as redundancies and retirements.
48. The force has a well-developed approach to operational risk management. The Corporate Risk Register is reviewed and updated on a quarterly basis. It is further broken down into sub-risks. Each high and medium risk has a named owner at force executive level. Key risk action plans are in place which provide a record of controls and allow monitoring of issues to take place. A Risk Management Standard Operating Procedure (SOP) provides clear guidance on the force approach to risk and links to the Business Continuity Management SOP, which also incorporates this methodology. Risk assessments are routinely carried out for operational activity and staff are briefed on the need to dynamically risk assess situations themselves. The risk register is presented at authority meetings to provide updates to members on activity and plans to address the issues identified.
49. The force has a significant number of officers in various roles (predominantly associated with antisocial behaviour) throughout the force funded by central and local government. This has been a successful approach to dedicating resources to a key area of business. It does however carry risks as the long-term future of this funding may come under pressure as further cuts are made to public sector budgets. There is scope to improve the force's approach to corporate risk management as this risk is not reflected on either force or divisional risk registers and plans do not currently exist to mitigate the effect of this risk on service delivery, and outcomes for communities, should the funding be reduced or withdrawn. The force needs to consider how it would deal with any loss of funding and manage the re-integration of officers into mainstream roles within the force (including the impact this might have on the force's budget and its capacity to deliver in targeted business areas).
50. In order that the authority can be actively involved in all aspects of force business consideration should be given to security vetting of certain members or officers of the authority in areas where sharing or providing information is problematic due to security classifications. The current absence of arrangements in this area is a barrier to authority members playing an appropriate public reassurance role in partnership with the force when significant incidents occur.

## **Community leadership and engagement**

### **Strathclyde Police Authority**

**Authority members have a good understanding of issues affecting their local communities developed through regular meetings with local policing teams but the authority lacks a strategic approach to exercising its community engagement role.**

51. Authority members have a good understanding of issues affecting their local communities and feed them into discussions with the force. Authority members have good links with divisional policing teams. They meet regularly with local area commanders to discuss emerging issues. These meetings can provide a constructive two-way dialogue and enhance both parties understanding of local and neighbourhood issues. However, there is no evidence that the authority is using this intelligence to inform the shaping of policing priorities or when holding the force to account for its performance.
52. The authority considers the force's annual outcome of its public consultation exercise. However, the information provided is limited and this affects the ability of authority members to scrutinise the force's community engagement activity effectively. The authority does not consider how the results of the consultation exercise shape the force priorities and there is no evidence that the authority is assuring itself that the force's activity in this area is improving service performance and strengthening public confidence in the force.
53. The authority should consider how it can adopt a more strategic and systematic approach to understanding the needs of the various communities served by Strathclyde Police and using that to inform its approach to contributing to strategy development and informing scrutiny of force performance. In doing so it should consider the role that the police authority office could play in providing good quality information on the communities served by the authority. Consideration should also be given to any opportunities for joint community engagement activity between the authority and the force where this is appropriate.

## Strathclyde Police Force

**Community engagement and consultation is an area of strength within the force. The force has a systematic approach to actively seeking the views of its communities which are used to develop policing plans which reflect areas of significant local public concern.**

54. The force has 134 Community Policing Teams (CPT) each of which produces a local Community Policing Plan, which identifies the local policing priorities that will be the focus of police activity for the year ahead. The priorities identified in each plan are directly influenced by the consultation and engagement processes that are carried out within the local community. New Policing Plans are produced annually and six-monthly update reports describing the action taken to date to address local priorities are also produced. These plans are made available via the web pages of each CPT. Hard copy plans are also made publicly available to community groups or through public buildings such as libraries or community centres. The policing plans contain useful information to assist the public to contact the police and raise any issues of concern.
55. The force has a well established approach to carrying out consultation across the Strathclyde Police area, and undertakes annual public consultation exercises. The force uses the information obtained from this exercise to inform its approach to planning its service and in developing priorities at multi-member ward level (for its community policing plans), divisional level and at a strategic level (force-wide).



56. The force uses its local and area-wide consultation activity to help target its activity. There is clear evidence in strategic assessments, divisional plans and community plans of partnership working targeted at addressing local public policing priorities in areas such as violence, alcohol abuse, drug dealing and antisocial behaviour.
57. The force is piloting the use of individual officer public satisfaction surveys in four sub-divisions across the force as part of its commitment to improving the level of service provided to the public. The aim of the six-month pilot is to provide members of the public with the opportunity to comment on the performance of individual officers who initially attend incidents, by means of a self-completion survey. An evaluation of the project will be conducted at the conclusion of the pilot.
58. The force also gathers survey feedback from the public on their experience of any recent contact with the force. It has now adopted a telephone-based methodology for this work which should give a more systematic evidence base than the previous postal survey. The initial pilot of the new approach from January – March 2010 was extended into a permanent feature in April 2010.

## Partnership working

### Strathclyde Police Authority

**The authority is not providing strategic oversight and challenge to the force's approach to partnership working. Authority members are not assuring themselves that partnership activity is leading to improved policing outcomes.**

59. Partnership working is a key focus for Strathclyde Police and there are many examples of joint working and shared resourcing for police and community safety activity but we found no evidence that the authority is providing a strategic oversight of this activity and monitoring the effectiveness of the force's approach to this work across the Strathclyde area. It is not proactively seeking information on the force's partnership work and using this information to assure itself that partnership working is being effectively managed and contributing to the delivery of local policing outcomes.
60. The authority does not actively request reports on the impact and outcomes from local community planning activity, such as progress reports on local single outcome agreements (SOAs) or community safety partnership activity. Information of this kind would enable it to hold the force to account for its involvement in local partnership activity alongside its oversight of force-wide partnership work.
61. The authority's review recognises that there is a need to enhance its oversight and challenge of the force's approach to partnership working, but it has not defined how it will do this. In taking this agenda forward it should consider the role that the police authority office could have in supporting elected members in this area by providing timely analysis on the progress and performance of community safety outcomes through SOA reports as well as highlighting examples of good practice in partnership working.

## Strathclyde Police

**The force engages effectively with a range of partners across the Strathclyde Police area at both strategic and tactical level to deliver better outcomes for communities.**

62. The chief constable meets chief executives of all constituent councils twice a year to discuss and agree areas for joint work and issues affecting the entire force. Chief executives welcome this opportunity to jointly consider issues and challenges facing their communities.
63. The force has a culture of collaborative working with partners at all levels of the organisation. We found evidence of strong local engagement with elected members, with good information sharing protocols in place to support work with local authorities. Divisional officers and local partner agencies were able to evidence numerous examples of effective partnership working in the area of community safety an example of which is set out in [Exhibit 6](#), below.

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### Exhibit 6

#### Saltmarket/Clydeside Working Group

The Saltmarket/Clydeside Working Group was established to examine a number of issues of concern within the Saltmarket and Clydeside area and assist in the progression of the regeneration. The group was chaired by a prominent local councillor and consisted of Strathclyde Police, Local Housing Associations, Glasgow Community and Safety Services (GCSS), Land and Environmental Services (LES), Salvation Army, Glasgow City Council Addiction Services, Glasgow Street Services, British Transport Police, Glasgow City Council Social Work Department, and the Development and Regeneration Services. Through focused and intelligence led partnership working the group succeeded in impacting on a number of long standing and difficult problems, such as removing the hoardings from the parapets of the Glasgow Union Bridge which had been identified as an area being used for criminal behaviour. Joint policing operations have been carried out which successfully targeted those individuals responsible for drug dealing, drug misuse and anti-social behaviour. Additional improvements included better lighting and street furniture, close doors have been repaired and liaison with British Telecom has resulted in the removal of one of their phone boxes which was being used for drug dealing. Positive outcomes from this work include: increases in detections for drugs and antisocial behaviour offences, the environment visibly improved, and positive feedback received from members of the community who clearly benefited from this targeted partnership approach.

*Source: Strathclyde Police/HMICS*

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64. The force has been effective in working with some traditionally hard to reach groups to reduce the level of police resources involved in parades and football matches. This has involved working with organisers to encourage them to take more responsibility for their event ensuring that the impact on the community and policing resource is minimised.

# Performance management and improvement

## Strathclyde Police Authority

**The authority routinely considers the force's performance against policing priorities and has a structured approach to monitoring the force's management of complaints. However, it does not actively seek out reports of improvement work undertaken by the force and is not playing an active part on identifying and prioritising improvement areas within the force.**

65. The authority considers a performance report at each authority meeting covering key policing priorities. These reports provide the authority with much of the information they need to monitor the force's performance including targets and prior year comparative figures but little narrative or explanation of variances is included in the report. This is an area where police authority office staff could add considerable value in providing further analysis and advice to members in their challenge and scrutiny role.
66. There are two subcommittees with remits to scrutinise key aspects of the force's work. The Resources and Best Value subcommittee considers the use of all property and assets, monitors revenue and capital budgets and has lead responsibility for securing Best Value. The committee considers reports on resourcing and option appraisal reports for capital projects. The Complaints subcommittee has a structured approach to monitoring the force's management of complaints. It considers a quarterly report prepared by the force, which provides details of the number of complaints from the public. This report contains limited data on areas of service complained about which limits members' ability to effectively understand the issues and work with the force to recommend appropriate improvement activity in areas that will reduce the number of complaints. The authority needs to assure itself that the force's systems and procedures are robust and that they are receiving a full and comprehensive analysis of complaints received by the force.
67. The authority does not have a clear role in influencing or monitoring the force's continuous improvement activity. Instead, they rely on the force to identify their areas for improvement and to keep them informed of on-going developments. While the authority's chief executive attends the Force Improvement Board, updates or reports on the work of the board are not provided to authority members and the authority does not have the opportunity to consider or challenge the work of the board. Authority members do not routinely receive reports on improvement activity and as a result do not have the opportunity to secure agreement with the force for improvement actions.

## Strathclyde Police

**Through strong leadership at force and divisional level, a performance management culture is embedded throughout the organisation supported by a comprehensive performance management framework which is well integrated with the force's service planning and delivery arrangements.**

68. Strathclyde Police has a strong performance and accountability culture. This is one of the organisational values which has been clearly communicated throughout the organisation with staff at all levels of the organisation aware of force priorities and their role in supporting their delivery.

69. Strathclyde Police management style in relation to performance is described by frontline officers as very outcome focussed. The chief constable challenges traditional approaches to policing and encourages staff to develop more efficient alternative approaches to delivering policing services. Within Crime Division, for example, traditional barriers between counter terrorism and serious crime have been replaced with structures that promote capacity and capability building through enhanced joined-up intelligence and investigation resources, with officers encouraged and able to take less traditional (and less expensive) routes to dismantling organised crime activity. Through cost effective innovative interventions and involvement of strategic partners, real value is being added to the fight against organised crime.
70. The force provides regular performance reports on its policing priorities and activities to Strathclyde Police Authority and senior managers. It demonstrates a strong commitment to public performance reporting and members of the public have access to crime data via an interactive tool on the force website. Strathclyde is the only force in Scotland to provide such a user-friendly facility providing access to relevant and detailed information at sub-divisional level.
71. The force has a well-developed framework for identifying operational risk utilising the National Intelligence Model (NIM), which is embedded at all levels of the organisation. The force has linked NIM to the Scottish Strategic Assessment and those areas identified within it as very high priority risk areas (violence, drugs, serious and organised crime, child protection and counter terrorism) are cascaded effectively throughout the force and are integrated in the force's performance framework.
72. Delivery of force priorities and operational accountability is enhanced by the force's performance management system OMIS (Operational Management Information System). It was designed and built in-house by Strathclyde Police in partnership with the Scottish Police Services Authority, as an interim measure pending the delivery of a national performance management system. OMIS provides a weekly snapshot of performance in key operational areas including violence, domestic violence, alcohol and stop and search. By displaying historical and current data together, the chief constable and senior managers can assess performance relative to both previous year's outputs and direction of travel trends. The use of historic trend data allows OMIS to predict snapshots of future spikes and likely performance challenges that managers can prepare for and build in to tasking and coordination processes.
73. As with all other forces in Scotland, Strathclyde does not capture resource and costs relative to performance levels. It is therefore difficult to assess to what extent resources are being deployed efficiently. In conjunction with other Scottish forces, Strathclyde Police is introducing Police Objective Analysis, as a framework for common definitions of functions and cost allocation, which is intended to bridge this gap in performance management, enabling the force in future to measure the efficient and effective use of resources. Once rates of performance are measured relative to cost, police forces will be able to measure value-for-money more effectively. This process is already in use in England and Wales and has only recently been adopted by the Association of Chief Police Officers in Scotland (ACPOS).

74. The force recognises the need to strengthen the coordination of its improvement activity to complement its strong performance and delivery culture. It is developing its approach to self-evaluation however the impact of its improvement board in driving a strategic approach to continuous improvement throughout the organisation is not yet evident.

## Use of resources

### Strathclyde Police Authority

**The authority is kept well informed about finance, staffing and asset management arrangements within the force and is providing effective challenge on key strategic decisions such as the implications of invoking regulation A19. However, authority members are not involved in monitoring the achievement of savings and efficiencies within the force.**

75. Authority members approve and monitor the force revenue budget and capital programme. The force prepares reports for each authority meeting highlighting variances. Authority members' scrutiny is greater here than in other areas and includes consideration of the force's medium term financial strategy through the budget-working group, an information-sharing forum which all authority members are invited to attend.
76. The authority also plays an active role in force decisions relating to new capital investment proposals. Since June 2009, members have made decisions on the feasibility study, business case and options appraisal for a new police headquarters.
77. Authority members demonstrate their understanding and scrutiny of staff issues at both the Personnel subcommittee and authority meetings. The authority recently considered a report from the chief constable into the potential impact of invoking regulation A19<sup>5</sup>. Authority members gave this report due consideration and effectively challenged the chief constable on its implications for police officers and local policing in the Strathclyde area. The Personnel subcommittee considers reports relating to terms and conditions of service, decisions on police staff posts and absence management.
78. Members do not actively seek or receive reports on and are not involved in monitoring of the achievement of savings and efficiencies within the force. This is a significant area for development given the authority's Best Value duties and the importance of savings and efficiencies for the force as funding reduces across the public sector. The authority is not proactive in determining what reports it needs to allow it to fulfil its responsibilities. The authority's ability to request reports from the force is the key method by which it can assert its independence and it is important that it uses this power to strengthen its role in this area.

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<sup>5</sup> Regulation A19 (Police Pension Regulation – Release of Police Officers under regulation A19 which allows the authority to compulsory retire officers with over 30 years service)

79. The authority's police authority office costs approximately £1.3 million per annum. Given the significance of these costs it is important that the authority establishes arrangements for assuring itself that it is receiving value-for-money from these resources. At present, there is no financial monitoring by the authority of the cost of the police authority office as the chief executive has only recently started to receive detailed information on the budget spend. The establishment of a subcommittee to consider authority management provides a forum for this to take place.

## Strathclyde Police

**Since his appointment, the chief constable has established a corporate change programme with a strong focus on reducing cost and improving efficiency. This is supported by effective financial controls and well established processes for setting and monitoring budgets.**

### Managing finance

80. Strathclyde Police's net revenue budget for 2010/11 was £443 million. Once budgets have been adjusted to reflect changes to the funding arrangements for pensions, the 2010/11 budget is around the same level as the previous year. The force's capital budget for 2009/10 was £38.37 million and for 2010/11 £8.36 million.
81. The force has strong financial controls in place and sound processes for setting and monitoring budgets. This feeds the revenue monitoring reports prepared for the police authority. Those reports include detailed information on significant budget variances which enables members to scrutinise and challenge the force on its financial position.
82. At divisional level, financial management arrangements are in a period of transition. Budgets were previously devolved to divisions and departments and managed locally by a business manager in conjunction with the divisional commander or head of department. That is still the case, with the exception of staff costs, which are now managed directly by the directors of human resources and finance and resources as a consequence of the degree of reorganisation and restructuring currently taking place across the force. Consultation continues with a view to further centralise all business manager functions into a single Financial Management Unit, which will provide support to local budget holders, who will retain some elements of devolved financial control around minor issues such as stationary and consumables.
83. The cost of providing police services continues to rise but with funding from central government and councils set to fall the force has significant levels of savings to make over the period 2011/12 to 2014/15. The force has a medium term financial strategy covering this period which aims to achieve reductions in spending through the on going review of structures across the force and other cost cutting initiatives. The force has a good track record of achieving its required levels of savings but given what it has already achieved and that it is in the process of further implementing large-scale reductions in management and support posts across the force this is likely to limit its scope for making further significant savings in the future.

### Managing people

84. In recent years the force has seen a steady increase in the number of police officers, however this has not continued during 2010 when there has been reductions in supervisory and management ranks as part of a deliberate strategy of reorganisation of structures with fewer managerial posts with broader spans of responsibilities (Exhibit 7).

## Exhibit 7

### Strathclyde Police: staffing numbers 1975 - 2011

Officers/ Year	ACPOS	Chief Supt	Supt	Chief Insp	Insp	Sergeant	Const	Total
1975	12	36	74	127	345	950	4862	<b>6406</b>
1985	8	32	73	117	355	961	5231	<b>6777</b>
1995	8	29	73	109	347	951	5624	<b>7141</b>
2001	7	19	72	86	365	941	5710	<b>7200</b>
2006	6	23	75	96	420	1011	5907	<b>7538</b>
2007	7	20	82	104	446	1051	5891	<b>7601</b>
2008	7	22	82	113	455	1060	5794	<b>7533</b>
2009	6	23	69	116	455	1143	6471	<b>8277</b>
2010	6	22	66	106	423	1178	6667	<b>8462</b>
14/3/11	5	18	49	92	364	1067	6369	<b>7964</b>

Source: Strathclyde Police – The figures relate to full time equivalent posts and do not include officers who are working outwith the force and are not directly deployable by the Chief Constable.

85. While police officer numbers are currently stable there is a potential impact on their duties given the possibility of reductions in the number of police staff employed. Police officers may be required to cover roles previously undertaken by police staff in areas such as custody suites, enquiry offices and force control rooms. This potential for 'reverse civilianisation' could divert resources away from front line policing. Should such measures be necessary the force and the authority should monitor and evaluate the impact of these changes, taking account of the affect on staff relations and considering the longer-term sustainability and cost effectiveness of this approach.

86. As a consequence of its implementation of a community based policing model in 2009 and the subsequent introduction of ISDM the force has seen a significant increase in the numbers of officers deployed within communities. On 1 April 2008, there were 527 community police officers in the force area. This number had increased to 1,270 by 30 June 2009, more than double the original number employed in 2008. This increase has been achieved through the recruitment and deployment of additional officers funded by the Scottish Government, local authorities and other partner agencies and the redeployment of office based staff at force headquarters and divisions, with minimal reductions in the number of officers deployed in response teams.

87. The force actively manages its workforce to ensure it achieves improvements and efficiencies through effective resource deployment:
- Office based police officers are deployed in high profile initiatives for a minimum of 12 days per year. During 2010/11 this amounted to 8,108 days worked by 673 officers.
  - Minimising front line police officers being diverted to police parades, events, football matches and court buildings.
  - Centralising office based functions through Divisional Coordination units, realising efficiencies equivalent to £4.2 million of non cashable savings.
88. The force performs less well than the Scottish average in terms of sickness absence rates. In 2009/10, the proportion of working days lost due to absence in Strathclyde was higher than the Scottish average for both police officers and police staff. In 2009/10, the absence rate for police officers was 4.5 per cent compared to a Scottish average of 4.1 per cent, and the absence rate for police staff was 5.4 per cent compared to a Scottish average of 5.0 per cent. While higher than the national average, absence rates in Strathclyde for both police officers and staff during 2009/10 have shown improvement when compared to the previous year. The force has moved to improve absence rates with the introduction of new attendance management operating procedures and the proactive use of absence costs data and analysis at management meetings.
89. The force Professional Standards Department (PSD) has made progress in addressing the high numbers of officers previously suspended from duty. A review of policy has resulted in a dramatic fall in the numbers of officers suspended, from 21 officers in 2009 to seven officers in 2010. This positive trend has been achieved despite a reduction in establishment of the PSD, which is now smaller than similar sized forces elsewhere in the UK.

### **Managing assets and other resources**

90. For some years, the force has sought to re-locate to a new headquarters building and the police authority has recently granted approval to the force to develop a full business case for a new building. Since then discussions between the force, authority and Scottish Government are on-going to give fuller consideration to the propriety of progressing this initiative in the context of the current debate regarding the re-structuring of the Scottish Police Service.
91. Beyond some shared accommodation in areas such as public protection units at divisional level, the force has made limited progress in sharing other functions such as procurement, payroll services and fleet management with other public bodies. The force is involved in a pan-Ayrshire group looking at options for future joint service delivery. This group involves the leaders and chief executives of North Ayrshire, South Ayrshire and East Ayrshire councils, and representatives from NHS Ayrshire and Arran, Strathclyde Police and Strathclyde Fire and Rescue Service. No firm plan yet exists in this area.
92. The force and the authority have recently developed a new Property Strategy. The new strategy includes the creation of a Force Asset Management Board chaired by the deputy chief constable with Strathclyde Police Authority represented by the chief executive. This process has created a formal



structure which allows the force to work with the authority to ensure that strategic business and operational need can be translated into future property requirements which are key to the continued delivery of frontline policing. Their strategy will be further informed once longer-term budgets are finalised and the debate around re-structuring of the Scottish Police Service concluded. In common with many other Scottish Police Forces, we found little evidence of a coordinated and pro-active strategy for establishing shared accommodation with other agencies.

## Equalities

### Strathclyde Police Authority

**The authority does not provide effective leadership of equalities and does not effectively scrutinise the force's equality and diversity activity.**

93. The authority does not provide good leadership of equalities. There is no spokesperson or portfolio holder for equalities within the authority and there is no elected member involved in the force's Equality and Diversity Steering Group, which coordinates the force's activities in this area. The authority's own review found that it did not receive comprehensive updates from the force on its equalities activities and members have a limited awareness and opportunity to delivery their role in this area. The authority should consider how the police authority office can more effectively support it through providing good quality data analysis and information on the impact of equalities initiatives as well as providing examples of good practice from other organisations.
94. The authority's Personnel Subcommittee is responsible for considering equalities issues however there have been no equalities reports submitted to the committee in the last two years. The force does report aspects of its performance on equalities to the full authority meeting however this is part of a wider performance report and limits the effective scrutiny of equality issues.
95. Given the demographic and cultural diversity within the Strathclyde area and the significant work undertaken by the force on diversity and equality, the authority needs to take a more proactive approach to enable it to demonstrate effective leadership in the area.

### Strathclyde Police

**The force has a well-developed approach to equalities and diversity led by the deputy chief constable, which is promoted at all levels of the organisation. The Equality and Diversity Strategy 2009-2011 sets out clearly the commitment of the force to address these issues both as an employer and service provider. This acknowledges legislative demands while setting out the aims of the force in terms of their commitment to mainstreaming equality and diversity into everyday business.**

96. The equality and diversity strategy was produced following consultation with stakeholders both internally and externally. It also facilitates the development of locally produced action plans specific to each division and department tailored to meet local needs. While managed locally, central monitoring ensures actions are achieved.

97. Strathclyde Police has launched a public consultation programme to inform and develop its Equality and Diversity Strategy for 2011-2014. They have already written to and met with a wide range of community organisations seeking their views on what Strathclyde Police's equality and diversity priorities should be over the next three years.
98. The force publishes its Diversity Action Plan on its website and is using this to reflect its current work, while asking participants in the consultation programme to consider if the content is still relevant.
99. Examination of divisional action plans confirmed they are active, specific to divisional issues and provide an audit of activity. As an example the North Lanarkshire Division Equality and Diversity Strategy Action Log provides a detailed account of actions with date specific evidence logs. It describes linked activity with partners and provides lists of organisations and contacts for each diversity strand. Its appendices outline Internal and External Communication Strategies and a Public Reassurance Strategy.
100. The force has a Diversity Unit and its role is to advise the force on diversity issues, work together with groups to help tackle all hate incidents and crimes and promote the force as an organisation that can be trusted. The work of the Diversity Unit includes preparing information and briefings for the force and ACPOS, attending meetings with representative groups and the agencies who work with them, advising force policy and attending the many cultural and community events that take place throughout the Strathclyde Police Force area.
101. Through the work of the Force Equality and Diversity Steering Group led by the deputy chief constable, all diversity and equalities activity is monitored and directed. The absence of direct involvement by Strathclyde Police Authority limits their opportunity to contribute to the development of strategies and policies. The force should consider how it can improve on the information it provides to the authority to expand on the quantitative elements of the performance data it supplies and reflect the more qualitative aspects of the work it does. This would give more scope for the authority to challenge and scrutinise the variety of activities undertaken by the force when discharging its duties in relation to equalities.
102. The composition of the workforce is gradually changing. During 2008/09 to 2009/10, the force recorded rises in the number of female officers from 25.8 per cent to 27.3 per cent, police officers with declared ethnicity as black and ethnic minority 1.3 per cent to 1.4 per cent and those with a declared disability 1.4 per cent to 1.8 per cent. All these increases are above the Scottish national average.
103. The force works in partnership with the Independent Advisory Group (IAG) which acts as a steering group for the Force Community Advisors and can also be utilised to provide advice in the event of a major incident occurring within a local community. The IAG has individual members who represent race, faith, lesbian, gay, bisexual and transgender (LBGT); and disability, but can expand this further when required from the cadre of community advisors. The force and the IAG also recognise the need to continue to develop the levels of representation from all its diverse communities.

# Sustainability

## Strathclyde Police Authority

**The authority does not have systematic approach to considering sustainability issues.**

104. The authority receives limited reporting on the force's approach to sustainability. Reports do not clearly outline the sustainability implications of proposals. Reports tend to focus on environmental sustainability, for example the force's carbon management plan. The Budget Working Group consider issues relating to financial sustainability and members show a good awareness of the current financial context. There is no clear evidence of social sustainability issues being reported on or monitored.

105. The authority has acknowledged through their recent review that members are not as aware and active in relation to sustainability as they should be. The recommendations of the review include establishing a members' special interest scheme, which includes 'Policing Sustainability' as one theme. Due to the early stage of developing this scheme, it is too early to take assurance that this initiative will effectively address the identified weakness.

## Strathclyde Police

**Sustainability is important to Strathclyde Police due to a combination of legislative requirements and the operational characteristics of the force. Their approach is developing however further work is required to reflect this is a composite action plan.**

106. The guiding principle of the force's Sustainability Policy, and supporting guidance, is to pre-empt environmental liability and the overall reduction of the risk posed by Environmental, Social and Economic accountability.

107. The force has signposted on its website the areas where it focuses activity around sustainability including carbon management, buildings, procurement, transport and waste management. This provides information about the progress they are making in addressing such matters.

108. The force was the first police force in Scotland to sign up to the Carbon Trusts Management Programme in 2009. This was a voluntary undertaking, one in which all local authorities and NHS Trusts participate. The aim of the programme is to provide a formal structure for organisations to identify their carbon footprint and reduce their CO2 emissions. This will assess buildings energy consumption, transport, waste and procurement and investigate ways of reducing the footprint over a five-year period. This will in turn provide financial savings primarily through the implementation of property and services infrastructure upgrades with a greater emphasis being placed on projects with a "carbon bias". The force conforms to the legislation by displaying energy performance certificates on their website for their buildings.

# Part 3: Strathclyde Police performance assessment

## Performance outcomes

The force has a clear understanding of the key policing issues, which affect its communities, with a significant underlying factor being alcohol abuse. The focus of the majority of its activity is in addressing violence, domestic abuse and knife crime, and performance in relation to these themes is encouraging. It is demonstrating improved outcomes for its citizens. Overall crime trends show a positive direction of travel. Between 2006 and 2010, crime numbers have fallen and detection rates have increased. This improvement includes positive progress on reducing antisocial behaviour, violent crime, acquisitive crimes and vandalism.

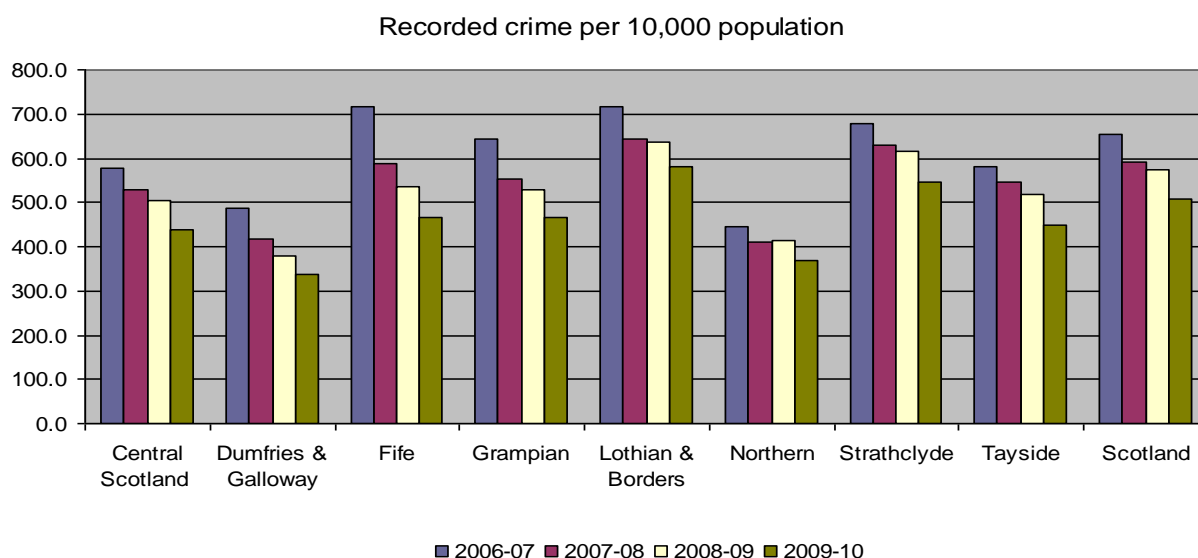
## Recorded and Detected Crime

109. The force priorities for 2009/10 were violence, disorder and antisocial behaviour, serious and organised crime, drugs, terrorism and child protection. Overall the force is performing well against these priorities and delivering reduced levels of recorded crime and improved detection rates.

110. In 2009/10, Strathclyde Police delivered a decrease in overall crime recorded in groups 1-5 (violence, indecency, dishonesty, vandalism and malicious misconduct and drugs) of 10.3 per cent (or 18,419 crimes) from 2008/09. This reflects a downward trend in recorded crime which has decreased steadily over the last four years from 193,669 in 2006/07 to 160,835 in 2009/10 (Exhibit 8). This is consistent with the fall in recorded crime throughout Scotland over the same period.

### Exhibit 8

#### Recorded crimes per 10,000 population 2006/07 - 2009/10

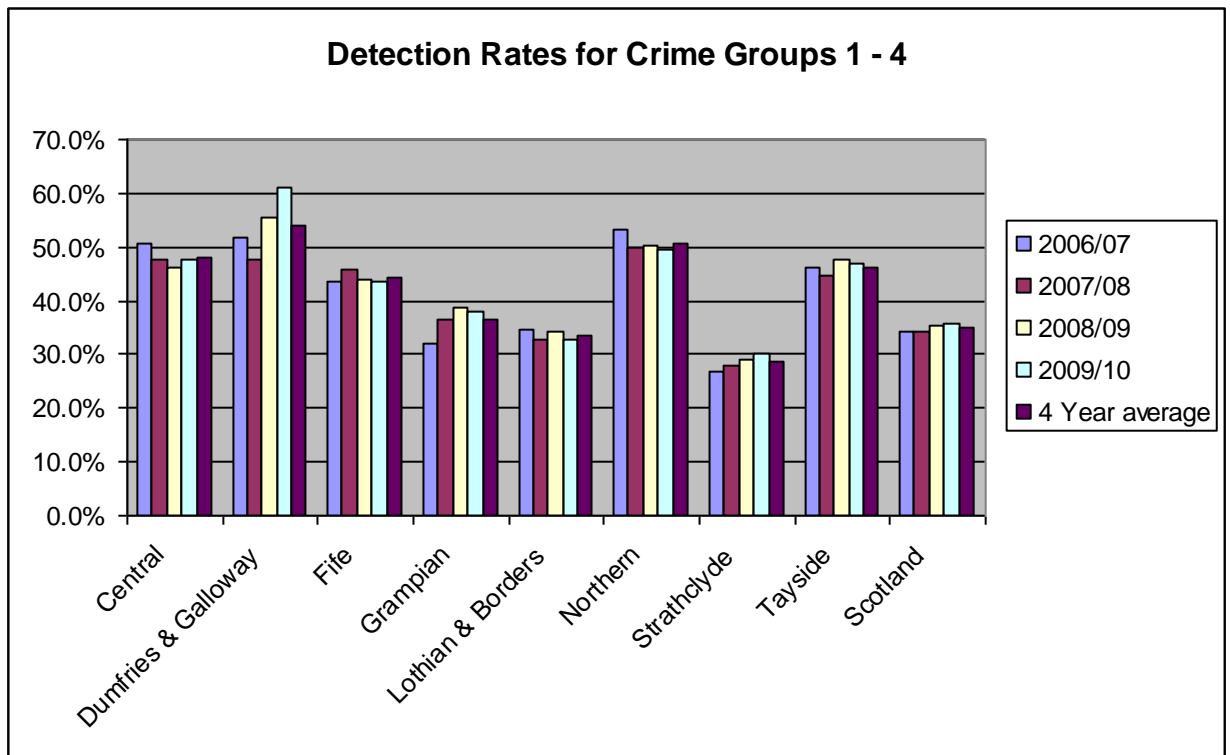


Source: HMICS

111. In 2009/10, the force has improved detection rates for crimes of violence, indecency, dishonesty, fire raising, vandalism and reckless conduct since 2006/07 (Exhibit 9), reflecting an overall rise year on year against a backdrop of decreasing levels of crime and disorder. In 2009/10, the force detection rates increased in line with the Scottish average in groups 1, 3 and 4, with a corresponding slight decrease in group 2.

## Exhibit 9

### Detection rates 2006/07 – 2009/10



Source: HMICS

112. Crimes of violence (Group 1) reduced in 2009/10 (6,813) by 670 from 2008/09 (7,483) whilst detection rates increased from 54.4 per cent to 60.6 per cent for the same period. This includes an 11.6 per cent decrease in serious assaults, 14.3 per cent reduction in robberies, 15.9 per cent reduction in offences related to knife carrying and 26.7 per cent fewer murders when compared with 2008/09. Strathclyde accounted for 60.8 per cent of all violent crimes in Scotland, their detection rate are slightly lower than the national figure of 66.9 per cent.

113. In Crimes of indecency (Group 2), the force performance is less clear with a relatively stable level of offending, but a reducing detection rate. The overall trend is one of marginal decreases in the number of crimes in this category, mainly by reductions in prostitution, but an increase of 17 per cent (52 rapes) and 6.5 per cent (45) indecent assaults for 2009/10. Of the 6,458 crimes of indecency recorded in Scotland in 2009/10, Strathclyde recorded 2,502 (38.7 per cent).

114. Since 2006/07, crimes of dishonesty (Group 3) have fallen from 79,185 to 67,417 whilst the detection rate for the period has increased from 30.7 to 34.2 per cent. This is against a backdrop of falls in this crime category recorded by all forces in Scotland in 2009/10. The largest reductions in Strathclyde have been seen in attempted theft of a motor vehicle (down 31.2 per cent), theft by opening (or attempting to open) a locked motor vehicle (down 27 per cent) and thefts by opening (or attempting to open) other lock fast places (down 25 per cent).
115. Vandalism and malicious conduct (Group 4) crimes have steadily fallen since the introduction of the national crime recording standard in 2004/05 as detection rates have steadily increased. The force has prioritised the reduction of vandalism and has supported this in a number of ways, including a specific vandalism review team. This has been successful and the number of recorded vandalism crimes reduced by 7,221 (15.1 per cent) during 2009/10 to 40,644. Over the same period detection rates rose slightly from 16.3 per cent to 16.9 per cent, however this is an issue the force needs to continue to address with its partners in order to sustain positive outcomes.
116. Tackling drugs (Group 5) forms part of the force's Serious and Organised Crime strategy. Seizures of drugs in Scotland fluctuate from year to year and between forces; it is arguably a poor indicator of performance. Strathclyde was one of only two forces in Scotland to increase drug seizures in 2009/10: 79,451g of class A drugs were seized, a 24.5 per cent increase on 2008/09 and by far the largest haul in Scotland. The total weight of drugs seized in Scotland in 2009/10 fell by 14.3 per cent. The number of drug offences recorded fell in every force in Scotland by an aggregate of 10.3 per cent, and in Strathclyde by 8.6 per cent.
117. The 10.5 per cent increase in miscellaneous offences (Group 6) recorded can be attributed to the detection of consumption of alcohol in public and urinating in public. Both offences were targeted as part of the force control strategy for 2009/10. Again, this is a good indication of Strathclyde's intelligence led approach, targeting signal crimes and achieving good performance returns. Strathclyde was the only force to show an increase in reporting in this area which contributed significantly to a 1.4 per cent increase in the figure for Scotland.
118. The increase in miscellaneous offences - road traffic offences (Group 7) recorded can be attributed to detections for seatbelt/mobile phone offences.

## Violence

119. The force has performed well in its efforts to reduce violent crime. Offences are at their lowest recorded level and detection rates are at their highest for seven years. The number of recorded crimes of violence fell by 19.6 per cent between 2006/07 and 2009/10. In 2009/10 there was 30.8 violent crimes per 10,000 head of population in Strathclyde, this is significantly higher than the Scottish average of 22. Sixty per cent of all violent crime in Scotland is committed in the Strathclyde area. Of the 11,201 violent crimes recorded in Scotland, 6,813 occurred in Strathclyde. Strathclyde Police detected 60.6 per cent of these crimes (Group 1 offences) against a whole of Scotland figure of 66.9 per cent.

120. The force commitment to tackling domestic abuse is at the forefront of their drive to reduce violence (Exhibit 10). In 2009/10, the force had 113 domestic abuse incidents per 10,000 of population, (compared to the Scottish average of 101) which was a decrease on 2008/09, but higher than 2007/08. Strathclyde continues to have the largest proportion of this type of crime in Scotland and the force has made it an integral part of their strategy to tackle and reduce violent behaviour.

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## Exhibit 10

In 2008, the force committed to the creation of a Domestic Abuse Task Force, the first of its kind in the UK, designed to increase the visibility and accountability of perpetrators. Its declared objective “to reduce the overall harm of domestic abuse, particularly in respect of victims who are of high risk of serious violence and by these means ultimately reduce incidents of domestic abuse homicide in the Strathclyde Police Force area”. In 2009, the area Procurator Fiscal for Glasgow established the first Domestic Abuse Unit in Scotland to work in conjunction with the force unit. This approach was in conjunction with the Violence Reduction Strategy and the force commitment to tackle domestic abuse and rape and serious sexual offences. The force established a Multi-Agency Tasking and Coordinating process, which enables the group to effectively prioritise and tackle the most problematic perpetrators of domestic abuse. In its first year of operation, officers from the Domestic Abuse Task Force have arrested 105 dangerous offenders for a total of 370 crimes including attempted murder, rape, serious assault, breach of the peace and stalking cases. The task force works proactively to tackle offenders. Of those 370 crimes, 320 had previously never been made known to the police. This approach is innovative and engages at divisional level focussing on victims and force wide targeting of high-risk offenders. This is an area of best practice, which continues to evolve and develop the skills of practitioners in a high-risk area, which impacts on some of the most vulnerable members of society.

*Source: Strathclyde Police/HMICS*

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121. Together with good arrangements for victim and offender management, the force has taken positive steps in impacting on a significant culture of violence in the home. In support of frontline officers the force has developed a number of ‘toolkits’ identifying performance standards and best practice. The Domestic Violence toolkit sets very high standards for officers attending domestic violence incidents, setting out extensive enquiries to be made when responding, including door to door enquiries and listening to recordings of 999 calls whilst at the scene.

## Antisocial Behaviour

122. A priority area for the force is antisocial behaviour. The force recorded 131,278 antisocial behaviour community crimes in 2009/10, which represents 54.5 per cent of all crimes of this type in Scotland, but was a decrease in the force area of 13,498 from the previous year. The detection rate of 72.7 per cent, for 2009/10 was 5.6 per cent higher than the Scottish average. This reflects a considerable effort by the force to address the impact on quality of life issues in the community.

123. The force have also been very proactive in utilising social networking sites as sources of intelligence to disrupt and deter antisocial behaviour and violent conduct. Enforcement activity such as Operation

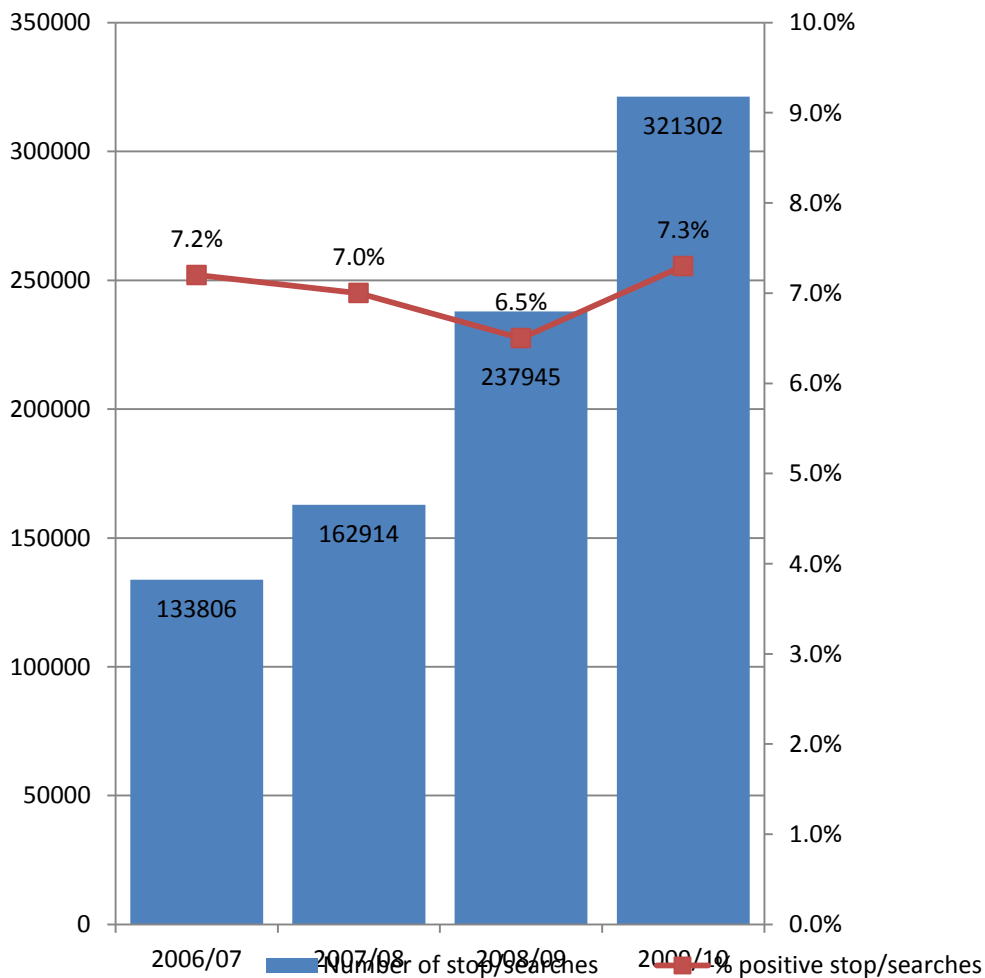
Rose targeted individuals carrying knives or other weapons in public, whilst employing some innovative technology, mobile metal detecting poles in a variety of locations throughout the force. This operation received positive feedback from the media, elected members and the public.

## Stop and Search

124. The force consider that stop and search is an essential police tactic to be deployed when circumstances merit its use and it is applied intelligently, targeting searches in the right areas, at the right time which will lead to less violence and less knives being carried. This activity is directly aligned to the priorities of violence, disorder and antisocial behaviour.

125. Compared to 2008/09, there has been an increase of 35 per cent (83,357) in the number of stop and search procedures conducted by Strathclyde officers in 2009/10 (from 237,945 to 321,302) (Exhibit 11). Searches for drugs (37.8 per cent) and offensive weapons (33.2 per cent) continue to constitute the primary reasons for stopping and searching people.

Exhibit 11



Source: HMICS

126. With regards to proportionality, there was a total of 7,707 searches conducted with people who declared themselves as being from Black and Minority Ethnic (BME) groups. This accounts for 2.4 per



cent of all searches conducted last year, and is approximately the same as the BME population of Strathclyde (2.4 per cent, at the 2001 population census).

127. The force highlight that they target males aged 15-26 as a result of intelligence led policing, particularly in relation to knives, drugs and alcohol. There is evidence of community support and understanding of the need to target areas where antisocial behaviour or knife carrying are prevalent. However there is always a danger that such high levels of stop and search can have a negative impact on particular sections of the community and alienate individuals. The force should continue to monitor the use of stop and search to avoid adversely impacting sections of the community, whilst at the same time recognising the enormous gains made by intelligent use of the tactic in making Strathclyde communities safer.

## **Serious and Organised Crime**

128. In 2009, the force restructured its crime division to alter its approach to major crime enquiries and whilst providing capacity to focus on serious and organised crime groups (OCGs). The Force Tasking and Interventions Unit was formed to target resources and disrupt the activities of these groups and bring individuals to justice. The interventions toolkit is designed to provide officers with access to best practice and a range of measures available to them to engage locally with OCGs and to disrupt criminal activities. In its first year of being formally measured, the Interventions and Tasking Unit has been responsible for diverting some £26 million worth of business away from criminal groups and back into the legitimate economy.

129. This approach is in line with Scottish Government strategy to target the OCGs who pose the greatest threat with the intention of disrupting and dismantling each group, reducing the economic impact of this type of crime and increasing public reassurance.

## **Terrorism**

130. The force continues to work with partners to review and develop its contingency plans and approach to national security strategies. This response is based on the principles of the national Contest strategy and work has been carried out in each of the four strands, 'Prevent, Pursue, Protect and Prepare'.

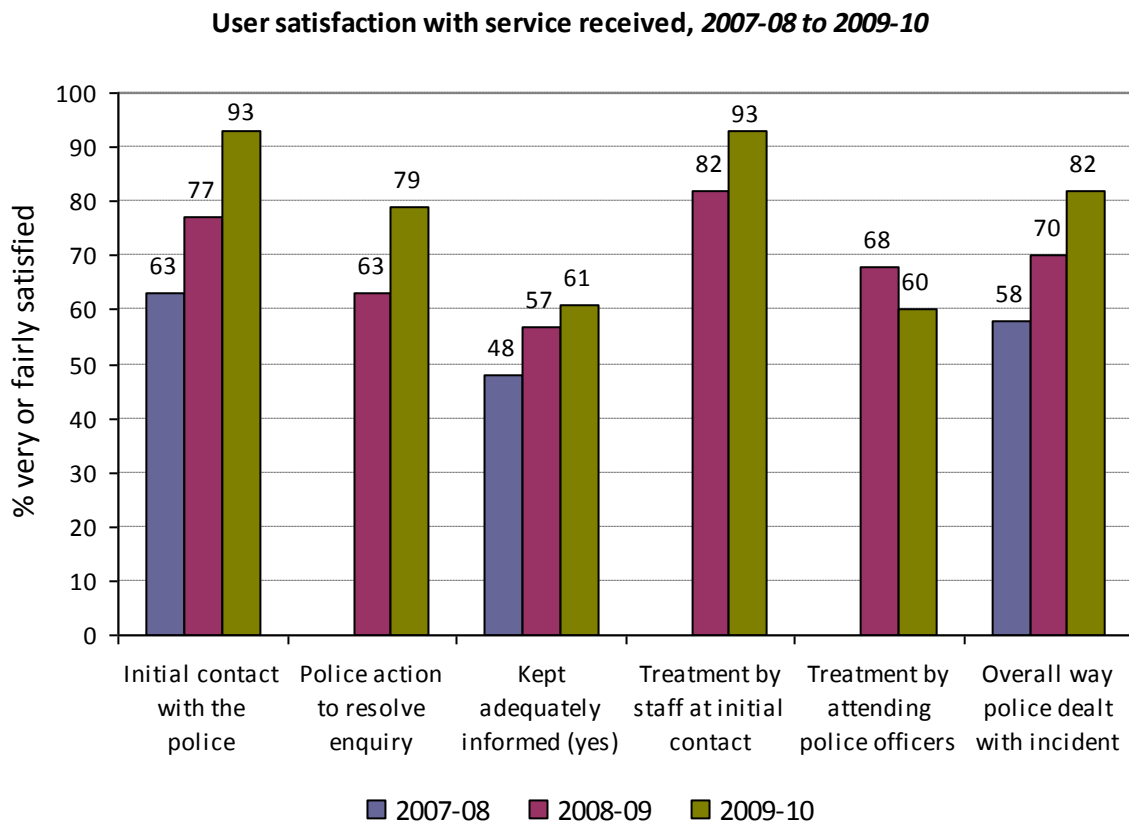
131. The recent HMICS Thematic Inspection of Contest Strategy – Prepare, considers the force Contest Board to be an example of good practice offering considerable potential for coordinating key responders preparations to deal with a terrorist incident. The model is underpinned by a clear governance structure and recently introduced a range of key performance indicators.

## **Force Reputation, Standards and Community Focus**

132. All forces carry out surveys to establish public satisfaction with policing services. However, due to the differences in survey methodologies comparisons of user satisfaction between forces should be treated with caution. That said, direction of travel or changing trends within a force can be compared year to year (where data is available).

133. Exhibit 12 demonstrates how well Strathclyde Police has performed in terms of user satisfaction between 2007 and 2010. Satisfaction rates have improved in all areas except for one, where satisfaction rates have dropped in relation to the treatment by officers who attend incidents.

## Exhibit 12



Source: HMICS (Data from Strathclyde Police)

134. Significant improvement in the initial contact between public and police is recorded as are satisfaction rates with the overall way police dealt with the incident. The reduction in how satisfied users were with the treatment by attending police officers from 68 per cent to 60 per cent is concerning, however the introduction of individual officer public satisfaction surveys will address this directly and provide the force with specific data on officer performance.

## Complaints about the police

135. In 2009/10 there were 12.2 complaints per 10,000 incidents, this was significantly lower than the Scottish average of 17.5. However, the force is aware of and is currently addressing an issue of under recording of complaints. In particular some of those made electronically, which have not been identified, recorded and assessed centrally.

136. This has affected the quality and accuracy of the data provided to the Police Authority Complaints subcommittee, who are also not provided with a breakdown of complaint type. This prevents them from effectively challenging and holding the force to account. The force have identified the reasons for

this shortfall and aim to develop more robust processes capable of accurately capturing all relevant information reflecting public dissatisfaction with the police and improving the quality of the information it provides to the police authority. An initial submission outlining the position has been sent to the authority to propose changes to existing practices to address the deficiencies in recording processes.

# Part 4: Improvement recommendations

## The improvement programme

137. Continuous improvement in public services and local governance are central to the Best Value and Community Planning policy framework. In striving to achieve the highest possible standards of service, members of the joint board must focus on key policy objectives and the needs of service users and communities. This requires a culture where areas in need of improvement are identified and openly discussed and in which service performance is constructively challenged.
138. Strathclyde Police and the authority are aware of the key areas where improvements are needed and are addressing them.
139. Strathclyde Police Authority and Strathclyde Police must work together and take shared responsibility in order to deliver best value to its local communities. The table below sets out the key areas where the force and the authority need to improve.

## **Improvement agenda**

### **Joint improvements**

- The authority and the force should establish more effective joint working arrangements to allow them to better discharge their shared duty of Best Value. This should include clarifying the role of the police authority office.
- They should work jointly to develop a shared vision for policing across the Strathclyde area.

### **Strathclyde Police Authority**

- The authority should adopt a more proactive approach to gathering performance and improvement information from the force to enable it to more effectively exercise its oversight and scrutiny role. Key areas for development include:
  - force partnership working
  - community engagement
  - force improvement activity
  - the monitoring of savings and efficiencies
- The authority should identify opportunities for increased involvement in equality and diversity activity
- The authority should strengthen member training and development, with a focus on improving member understanding of their roles and responsibilities
- The authority should adopt a more robust approach to the monitoring of the authority's improvement agenda arising from the chief executive's review of authority governance
- The authority should establish arrangements for monitoring the cost and effectiveness of its support function to ensure that it is sufficiently adding value.

### **Strathclyde Police**

- The force should further develop its strategic approach to change, ensuring that robust options appraisal, risk identification/mitigation and post implementation evaluation measures are fully integrated into the change process and that an effective communications strategy underpins this
- Acknowledging the scale and complexity of the change over recent years, the force should undertake a staff survey as a matter of priority to provide their workforce with an opportunity to engage and shape the future of policing in Strathclyde
- The force should continue to develop its methodology to understand the cost of policing activity and its link to resource deployment
- The force should review the process of recording complaints to ensure all relevant information is accurately recorded and effectively scrutinised by the force and authority to improve service delivery.

# Appendix 1: Expectations of police authorities

The Scottish government has issued two main sources of guidance on the role of elected members and police authorities:

- Circular 11/2003, *Implementing Best Value in the Scottish Police Service*, issued in December 2003.
- *Guidance to Members*, issued in June 2007.

Taken together, these two documents set out six main areas of activity for police authorities and their members:

- Police authorities need to pursue best value in tandem with chief constables who are responsible for police operations in their force. Members of the police authorities should take joint responsibility for the overarching plan to achieve best value and other duties in the force, and work with the chief constable to ensure that it is carried out effectively.
- Best value requires elected members and senior managers to develop a vision of how best value will contribute to the corporate goals of the authorities, inform the direction of services and be communicated to staff.
- Police authorities are expected to demonstrate responsiveness to the needs of the public and other stakeholders. Plans, priorities and actions should be informed by an understanding of those needs. Police authorities may make clear publicly how they engage and work with chief constables delivering and reporting on, best value. They have a particular role to play in ensuring effective public consultation on aspects of policing.
- It is a matter for each authority to determine how it fulfils these roles. However, one option might be for the police authorities to contribute to and endorse the chief constable's annual plan.
- Members of the police authorities should be able to demonstrate that they are making the best use of public resources and demonstrate an approach to review that is rigorous, robust and covers all aspects of their work.
- Police authorities need to make sure that the force collects and reports good quality performance data to them. Police authorities should analyse the data and any accompanying commentary. They may then want to investigate further by asking questions of the chief constable as part of a continuous discussion and review of force performance.