

**494th meeting of the Accounts Commission for Scotland**

**Thursday 8 December 2022, 10.50 am**

**by video conference, in the offices of Audit Scotland, 102 West Port, Edinburgh and  
via public livestream**

**Agenda**

**1. Apologies for absence**

**2. Declaration of connections**

**3. Order of business**

The Chair seeks approval of business, including proposing taking items 12 to 17 in private (\* see note).

**Business requiring decisions in public**

**4. Minutes of meeting of 10 November 2022**

**5. Minutes of meetings of Commission committees of 24 November 2022**

**6. Audit Scotland Board update**

Report by the Policy Manager.

**7. Strategy and work programme: work programme update**

Report by the Executive Director of Performance Audit and Best Value.

**Business for information in public**

**8. Secretary's update report**

Report by the Policy Manager.

**9. Chair's update report**

Report by the Chair.

**10. Interim Controller of Audit's update report**

Report by the Interim Controller of Audit.

**Any other public business**

**11. Any other public business**

The Chair will advise if there is any other public business to be considered by the Commission.

**Business requiring decisions in private**

**12. Strategy and work programme: Work programme strategic review**

Report by the Executive Director of Performance Audit and Best Value.

**13. Local government in Scotland financial bulletin 2021/22 – draft bulletin**

Report by the Executive Director of Performance Audit and Best Value.

**14. 2022/23 audits – local government fees**

Report by the Corporate Finance Manager.

**Business for information in private**

**15. Strategic Scrutiny Group update**

Report by the Secretary to the Strategic Scrutiny Group.

**16. Audit Scotland update**

Verbal update by the Chief Operating Officer.

**Any other private business**

**17. Any other private business**

The Chair will advise if there is any other business to be considered by the Commission in private.

\* It is proposed that items 12 to 17 be considered in private because:

- Item 12 requires the Commission to consider confidential policy matters.
- Item 13 proposes a draft publication which the Commission is to consider in private before publishing.
- Item 14 requires the Commission to consider confidential business and commercial matters.
- Item 15 requires the Commission to consider confidential policy matters.
- Item 16 requires the Commission to consider confidential policy matters and data which belongs to Audit Scotland and is not in the public domain.
- Item 17 may be required if there are any confidential matters that require to be discussed out with the public domain. The Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

**MEETING: 8 DECEMBER 2022**

**REPORT BY: POLICY MANAGER, ACCOUNTS COMMISSION**

**MINUTES OF PREVIOUS MEETING**

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### **Introduction**

1. This paper presents for the Commission's approval the draft minutes of the previous meeting of the Commission along with a summary of matters arising from those minutes.

### **Minutes**

2. The minute of the previous meeting is in **Appendix 1**. A summary of matters arising from the November Commission meeting is attached in **Appendix 2**.
3. Members should note that the action tracker – available on the member SharePoint site and also provided to members on a monthly basis – provides updates on progress from previous meetings.

### **Conclusion**

4. The Commission is asked to:
  - a) Approve the attached draft minute of its previous meeting.
  - b) Note the summary of the matters arising, as well as any other updates provided at today's meeting.

**Martin McLauchlan**  
**Policy Manager**  
**1 December 2022**

## APPENDIX 1

Minutes of the 493rd meeting of the Accounts Commission held via 'hybrid' (in-person and online) meeting, in the offices of Audit Scotland at 102 West Port, Edinburgh and online on Thursday 10 November 2022 at 9.30am.

PRESENT: William Moyes (Chair)  
Andrew Burns  
\* Andrew Cowie  
\* Sophie Flemig  
Sheila Gunn  
Christine Lester  
Tim McKay  
Geraldine Wooley  
Jennifer Henderson  
Malcolm Bell  
Ruth McLeod  
\* Online attendance

APOLOGIES: Nichola Brown

IN ATTENDANCE: Martin McLauchlan, Policy Manager (Accounts Commission)  
Elaine Boyd, Director of Audit Quality and Appointments (AQA) (item 11)  
Adam Bullough, Audit Manager, Performance Audit and Best Value (PABV) (item 12)  
Carol Calder, Audit Director, PABV (items 6 and 12)  
Antony Clark, Executive Director of PABV and Interim Controller of Audit (items 6, 9, 12 and 13)  
Nathalie Cornish, Audit Officer, PABV (item 13)  
Blyth Deans, Audit Manager, PABV (item 12)  
Gemma Diamond, Audit Director, PABV (item 6)  
Ffion Heledd, Audit Manager, PABV (item 6)  
Jillian Matthew, Senior Manager, PABV (items 6 and 13)  
Carolyn McLeod, Audit Director, PABV (item 13)  
Tricia Meldrum, Senior Manager, PABV (item 6)  
Owen Smith, Senior Manager, AQA (item 11)

<u>Item</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declaration of connections
3.	Order of business
4.	Minutes of meeting of 8 September 2022
5.	Audit Scotland Board Update
6.	Service user engagement including youth panel
7.	Secretary's update report
8.	Chair's update report
9.	Interim Controller of Audit's update report
10.	Any other public business
11.	Procuring external quality assurance 2022-28 (in private)
12.	Integration Joint Boards Financial Analysis 2021/22: scope (in private)
13.	Gender pay gap reporting across the public sector (in private)
14.	Any other private business (in private)

1. Apologies for absence

It was noted that apologies for absence had been received from Nichola Brown and Paul Reilly (Secretary).

2. Declaration of connections

There were no connections declared.

3. Order of business

It was agreed that the following items be considered in private:

- Item 11 required the Commission to consider matters in relation to quality review processes and the appointment of external consultants, which may have required consideration of confidential contractual matters
- Item 12 required the Commission to discuss the scope of publications which may have required consideration of confidential policy matters in advance of audit work and subsequent publication.
- Item 13 required the Commission to discuss the scope of publications which may have required consideration of confidential policy matters in advance of audit work and subsequent publication.

The Chair advised that there was one item of business for item 14, proposing an alteration to the timescales of an output.

4. Minutes of meeting of 8 September 2022

The Commission considered a report by the Secretary presenting the minutes of the meeting of 8 September 2022, including a summary of business arising from those minutes.

The Commission:

- Approved the minutes as a correct record.
- Noted the summary of the matters arising.

5. Audit Scotland board update

The Commission considered a report by the Secretary (introduced by the Chair) providing an update on the activities of the Audit Scotland board.

The Commission noted the report.

6. Service User engagement including the youth panel

The Commission considered a report and presentation from the Executive Director of PABV.

Following discussion, the Commission:

- Noted the development of a service user engagement strategy and the intention to commission an external partner to establish a youth advisory group.
- Requested ongoing engagement from Audit Scotland with the Commission over the strategy (including agreed outcomes) and wider developments in this area.

*Action: Executive Director of PABV*

## 7. Secretary's update report

The Commission considered a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

The Commission noted advice from the Policy Manager that, in line with the approach agreed with Commission members, members had been given the opportunity to provide queries on the Secretary's report in advance of the meeting. No queries were received but anything arising from the meeting will be circulated in due course to members.

Following discussion, the Commission:

- Agreed not to respond to the consultation highlighted in paragraphs 12 and 72.
- Noted the report.

## 8. Chair's update report

The Commission considered and noted a report by the Chair providing an update on recent and upcoming activity.

## 9. Interim Controller of Audit's update report

The Commission considered and noted a report by the Interim Controller of Audit providing an update on recent and upcoming activity.

## 10. Any other public business

The Chair, having advised that there was no business for this item, closed the public part of the meeting.

The livestream of the meeting was stopped at this point.

## 11. Procuring external quality assurance 2022-28 (in private)

The Commission considered a report from the Audit Director (AQA) on quality assurance arrangements and the procurement of external consultants for the period 2022-28, seeking approval for proposals from the Commission and for these to subsequently be taken to the Audit Scotland board to allow procurement to be concluded.

Following discussion, the Commission agreed:

- To the proposals being approved.
- To the proposals being taken to the Audit Scotland Board (as indicated).

*Action: Director AQA*

## 12. Integration Joint Boards Financial Analysis 2021/22: scope (in private)

The Commission considered a report by the Executive Director of PABV seeking the approval of the proposed scope for the Integration Joint Boards Financial Analysis 2021/22.

During discussion, the Commission:

- Noted advice from the audit team about the risks to the proposed timeline and how these are being mitigated.

Following discussion, the Commission:

- Approved the scope of work for IJB financial analysis, subject to the audit team considering the points raised in discussion.

*Action: Executive Director of PABV.*

### 13. Gender pay gap reporting across the public sector (in private)

The Commission considered a report by the Executive Director of PABV seeking the approval of the proposed scope for the Gender pay gap reporting across the public sector publication.

During discussion, the Commission:

- Several points related to the availability and status of data.

Following discussion, the Commission:

- Approved the scope and approach to the work.
- Agreed the proposal for a web-based output, subject to the drafting team considering the points raised in discussion.
- Agreed for a nominated member(s) of the Commission to be identified as project sponsor(s) and delegated sign off of the final output to sponsor(s).

*Action: Secretary and Chair*

### 13. Any other private business

The Chair, having advised that there was one item of business, invited the Policy Manager to outline proposals to extend the timescales and publication date of a scheduled performance audit.

Following discussion, the Commission agreed to the proposal presented.

The chair then closed the meeting.

#### Close of meeting

The meeting closed at 12.30pm.



**MEETING: 8 DECEMBER 2022****REPORT BY: POLICY MANAGER, ACCOUNTS COMMISSION****MINUTES OF MEETINGS OF COMMISSION COMMITTEES OF 24 NOVEMBER 2022**

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**Introduction**

1. This paper presents for the Commission's approval the draft minutes of the meetings of the Commission's two committees on 24 November 2022.
2. The Commission is also asked to consider approving the recommendations made by both committees to the Commission, as detailed below.

**Minutes**

3. The minutes attached are as follows:
  - Financial Audit and Assurance Committee (FAAC) Appendix 1
  - Performance Audit Committee (PAC) Appendix 2
  - Joint meeting of committees Appendix 3
4. The Commission is asked to approve these minutes and consider any matters arising.

**Recommendations**

5. In approving the minutes of the committees, the Commission is deemed to be endorsing the decisions reached by the committees, subject to approving any specific recommendations.

***Financial Audit and Assurance Committee***

6. The FAAC did not make any specific recommendations that would require to be considered by the Commission.

***Performance Audit Committee***

7. The PAC agreed to make the following specific recommendation to the Commission (in relation to item 6):
  - Authority be delegated to the Chair and Sheila Gunn (as a sponsor of previous work in this area) to hold discussions with Audit Scotland on behalf of the Commission about the nature, scope and branding of the proposed Audit Scotland data-driven output on Covid-19 finances.

***Financial Audit and Assurance Committee and Performance Audit Committee***

8. The FAAC and PAC, during their joint session, did not make any specific recommendations that would require to be considered by the Commission.

## **Conclusion**

9. The Commission is asked to:

- a) Approve the attached minutes and consider any matters arising.
- b) Agree the committee recommendations in paragraphs 7.
- c) Note any other updates provided at today's meeting.

**Martin McLauchlan**  
**Policy Manager to the Commission**  
**1 December 2022**

**MINUTES OF MEETING OF FINANCIAL AUDIT AND ASSURANCE COMMITTEE  
OF 24 NOVEMBER 2022**

Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held via online meeting on Thursday 24 November 2022 at 9.15am.

PRESENT: Tim McKay (Chair)  
Andrew Cowie  
William Moyes  
Geraldine Wooley

OTHER COMMISSION  
MEMBERS IN ATTENDANCE: Christine Lester  
Jennifer Henderson  
Ruth MacLeod

IN ATTENDANCE: Antony Clark, Interim Controller of Audit and Executive Director of Performance Audit and Best Value (PABV)  
John Cornett, Executive Director of Audit Services  
Elaine Boyd, Director, Audit Quality and Appointments (AQA) (items 8, 9 and 10)  
Blyth Deans, Audit Manager, PABV (item 6)  
Fiona Caffyn, Correspondence Officer, PABV (item 5)  
Carol Calder, Senior Manager, PABV (item 7)  
John Gilchrist, Manager, AQA (items 8, 9 and 10)  
Brian Howarth, Audit Director, Audit Services Group (ASG) (item 4)  
Anne MacDonald, Senior Audit Manager, ASG (item 4)  
Martin McLauchlan, Policy Manager, Accounts Commission  
Kenneth Oliver, Executive Director of Innovation and Quality (items 8, 9 and 10)  
Dharshi Santhakumaran, Correspondence Manager, PABV (item 5)  
Owen Smith, Senior Manager, AQA (items 8, 9 and 10)  
Lindsay Stother, Audit Officer, PABV (item 5)

**Item No    Subject**

1. Apologies for absence
2. Declarations of connection or conflict
3. Minutes of meeting of 25 August 2022
4. Current audit issues in councils
5. Intelligence report
6. Risk assessment and implications for the work programme
7. Assurance statement: Use of other scrutiny body intelligence and findings
8. Interim audit quality report
9. Code of Audit Practice: Supplementary guidance – wider scope audit, less complex bodies and Best Value
10. Audit Quality Framework discussion
11. Any other business

1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of connection or conflict

No declarations of connection or conflict were made.

3. Minutes of meeting of 25 August 2022

The minutes of the meeting of 25 August 2022 were noted, the Commission having previously approved them as a correct record and agreed the recommendations therein.

Arising therefrom, the Committee:

- In relation to item 4, it was noted further information was provided on Fife Council's bank reconciliation processes, coverage on workforce planning and issues around the appointment of a Period Dignity Officer by public bodies in the Dundee area. These matters can therefore be considered closed.
- In relation to item 4, it was noted that further information on accounting for infrastructure assets (including roads) is an ongoing issue.
- In relation to item 4, it was noted further information on East Dunbartonshire Council hearings held by the SPSO was requested and further detail does not appear within the November Intelligence Report. This will be circulated to the Committee by the Policy Manager.

*Action: Policy Manager*

4. Current audit issues in councils

The Committee considered a report by the Interim Controller of Audit providing a summary of emerging issues and recurring themes across local authorities in Scotland.

During discussion, the Committee:

- Agreed, following a point made by Geraldine Wooley, that the Committee be kept updated on the impact of rent cap legislation on councils.

*Action: Executive Directors of PABV and ASG*

Following discussion, the Committee:

- Noted the report, taking assurance that the auditors' responses to matters detailed therein recognised the scope of the risk identified and reflected appropriately the impact on planned audit work.
- Noted that it would consider under item 6 matters and issues arising from this report which affect either the business risks of the Commission or audit risk (and thus the planned audit response set out in the work programme).
- Agreed in particular not to require the Interim Controller of Audit to report in detail on any other matters arising.

5. Intelligence report

The Committee considered a report by the Secretary providing intelligence about councils from various sources including correspondence to Audit Scotland, the Scottish

Public Sector Ombudsman, the Standards Commission for Scotland and the Scottish Information Commissioner.

During discussion, the Committee:

- Agreed, following a query from Tim McKay, that further information be provided about the status and outcome of the two Standards Commission hearings that took place in October and November.

*Action: Policy Manager*

- Agreed that the Commission Support and Correspondence Teams consider the format, length and nature of the report ahead of it next being presented to the Committee, including consideration of further analysis down to individual council level.

*Action: Policy Manager and Correspondence Manager*

Following discussion, the Committee:

- Noted the report.

#### 6. Risk assessment and implications for the work programme

The Committee considered a report by the Secretary providing an updated assessment on business and audit risk.

During discussion, the Committee:

- Noted advice from Blyth Deans about the revision of the report appendices to align them to the Commission's priorities and the most recent Annual Assurance and Risk Report.
- Noted advice from Carol Calder about developments around the Strategic Scrutiny Group.

Following discussion, the Committee:

- Requested further consideration be given to how the paper is presented, including consideration of providing more detail about the nature and rationale for specific risks levels being assigned.

*Action: Secretary and Policy Manager*

- Agreed the assessment of the controls in place in relation to business risk, subject to the issues raised above.
- Agreed the assessment of the audit response in place in relation to audit risk, subject to the issues raised above.
- Agreed that there was no specific action required to inform the next refresh of the work programme at the Commission's December meeting.

#### 7. Assurance statement: Use of other scrutiny body intelligence and findings

The Committee considered a report by the Executive Director of PABV providing assurance on the use of other scrutiny body intelligence and findings.

Following discussion, the Committee:

- Noted the report.

8. Interim audit quality report

This item was subject of a joint meeting with the Performance Audit Committee and is contained in a separate minute.

9. Code of Audit Practice: Supplementary guidance – wider scope audit, less complex bodies and Best Value

This item was subject of a joint meeting with the Performance Audit Committee and is contained in a separate minute.

10. Audit Quality Framework discussion

This item was subject of a joint meeting with the Performance Audit Committee and is contained in a separate minute.

11. Any other business

The Chair, having advised that there was no business for this item, closed the meeting.

Close of meeting

The meeting finished at 10.35 am.

**MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE  
OF 24 NOVEMBER 2022**

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held via online meeting on Thursday 24 November 2022 at 12.00pm.

PRESENT: Christine Lester (Chair)  
Andrew Burns  
Sophie Flemig  
Sheila Gunn  
Tim McKay  
William Moyes

**OTHER COMMISSION**

MEMBERS IN ATTENDANCE: Jennifer Henderson  
Ruth MacLeod

IN ATTENDANCE: Antony Clark, Executive Director of Performance Audit and Best Value (PABV)  
Martin McLauchlan, Policy Manager, Accounts Commission  
Blyth Deans, Audit Manager, PABV (item 4)  
Elaine Boyd, Director, Audit Quality and Appointments (AQA) (items 8, 9 and 10)  
Gemma Diamond, Audit Director, PABV (item 7)  
John Gilchrist, Manager, AQA (items 8, 9 and 10)  
Leigh Johnston, Senior Manager, PABV (item 7)  
Mark MacPherson, Interim Audit Director, PABV (item 5)  
Ashleigh Madjitey, Audit Manager, PABV (item 6)  
Jillian Matthew, Senior Manager, PABV (item 7)  
Carolyn McLeod, Audit Director, PABV (item 7)  
Tricia Meldrum, Senior Manager, PABV (items 5 and 7)  
Kenneth Oliver, Executive Director of Innovation and Quality (items 8, 9 and 10)  
Richard Robinson, Senior Manager, PABV (item 6)  
Kathrine Sibbald, Senior Manager, PABV (item 7)  
Rebecca Smallwood, Audit Manager, PABV (item 5)  
Owen Smith, Senior Manager, AQA (items 8, 9 and 10)

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of connection or conflict
3.	Minutes of meeting of 25 August 2022
4.	Risk assessment and implications for the work programme
5.	Performance audit: Early learning and childcare: Progress on delivery of the 1,140 hours expansion – emerging messages
6.	Scotland's financial response to Covid-19: Data output appraisal
7.	Cluster briefing on the United Nations Convention on the Rights of the Child and transitions
8.	Interim audit quality report
9.	Code of Audit Practice: Supplementary guidance – wider scope audit, less complex bodies and Best Value

10. Audit Quality Framework discussion
11. Any other business



1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of connections or conflict

No declarations of connections were made.

3. Minutes of meeting of 25 August 2022

The minutes of the meeting of 25 August 2022 were noted, the Commission having previously approved them as a correct record and agreed the recommendations therein.

Arising therefrom, the Committee:

- In relation to item 4, it was noted recent parliamentary engagement has increased and been considered successful.

4. Risk assessment and implications for the work programme

The Committee considered a report by the Secretary providing an updated assessment on business and audit risk.

During discussion, the Committee:

- Noted advice from Blyth Deans about the revision of the report appendices to align them to the Commission's priorities and the most recent Annual Assurance and Risk Report, and the potential to consider future reports at joint committee meetings.
- Noted advice from Blyth Deans, in response to a query from Sophie Flemig, that further consideration would be given to the risk information presented, including the potential to present numerical risk ratings.

Following discussion, the Committee:

- Requested further consideration be given to how the paper is presented, including consideration of providing more detail about the nature and rationale for specific risks levels being assigned.

*Action: Secretary and Policy Manager*

- Agreed the assessment of the controls in place in relation to business risk, subject to the issues raised above.
- Agreed the assessment of the audit response in place in relation to audit risk, subject to the issues raised above.
- Agreed that there was no specific action required to inform the next refresh of the work programme at the Commission's December meeting.

5. Performance audit: Early learning and childcare: Progress on delivery of the 1,140 hours expansion – emerging messages

The Committee considered a report by the Executive Director of PABV inviting the Committee to consider the emerging messages from the performance audit on Early learning and childcare: Progress on the delivery of the 1,140 hours expansion.

During discussion, the Committee:

- Agreed, in response to points made by the Executive Director and his team, that a number of issues raised (including expenditure, progress in ensuring the necessary infrastructure is in place, parental survey data and uptake/eligibility data) were live issues that would continue to be monitored.

Following discussion, the Committee:

- Endorsed the emerging messages set out in the report, subject to the audit team addressing in conjunction with the sponsors, Geraldine Wooley and Sophie Flemig, the points raised in discussion.
- Agreed that a draft audit report be brought to the Commission meeting in March 2023, prior to publication in June 2023.

#### 6. Scotland's financial response to Covid-19: Data output appraisal

The Committee considered a report by the Executive Director of PABV providing an update on Audit Scotland's proposed approach to preparing a short data-driven output on Covid-19 finances to be published on Audit Scotland's website in March 2023.

During discussion, the Committee:

- Noted advice from the Executive Director and his team, in response to queries from Sheila Gunn and Sophie Flemig in relation to previous performance audit work in this area, that there is potential value in considering how to comment on lessons learned, wider assessment of value for money assessment and ensuring accessibility of data.
- Discussed the potential for the output to be jointly published by the Commission and Audit Scotland and/or the Auditor General for Scotland.

Following discussion, the Committee:

- Noted Audit Scotland's plan to prepare a data-driven output on Covid-19 finances which will be published on Audit Scotland's website in March 2023, subject to further discussion between the Executive Director of Performance Audit and Best Value, the Chair and Sheila Gunn (as a sponsor of previous work in this area) about the nature and scope of the output.
- Requested these discussions include the opportunity for the Commission to be able to comment on the output as well as promote it, and how it will be badged.

*Action: Executive Director of PABV and Chair*

#### 7. Cluster briefing on the United Nations Convention on the Rights of the Child and transitions

The Committee considered a report by the Executive Director of PABV providing an update on the impact of commitments by the Scottish Government in relation to the United Nations Convention on the Rights of the Child (UNCRC) on public bodies and highlighting the risks to outcomes for children and young people relating to points of transition between and across services.

Following discussion, the Committee endorsed and noted the report.

8. Interim audit quality report

This item was subject of a joint meeting with the Financial Audit and Assurance Committee and is contained in a separate minute.

9. Code of Audit Practice: Supplementary guidance – wider scope audit, less complex bodies and Best Value

This item was subject of a joint meeting with the Financial Audit and Assurance Committee and is contained in a separate minute.

10. Audit Quality Framework discussion

This item was subject of a joint meeting with the Financial Audit and Assurance Committee and is contained in a separate minute.

11. Any other business

The Chair, having advised that there was no business for this item, closed the meeting.

Close of meeting

The meeting closed at 1.45 pm.

**MINUTES OF JOINT MEETING OF COMMISSION COMMITTEES  
OF 24 NOVEMBER 2022**

Minutes of a joint meeting of the Financial Audit and Assurance and Performance Audit Committees of the Accounts Commission held via online meeting on Thursday 24 November 2022 at 10.45am.

PRESENT: William Moyes  
Nichola Brown  
Andrew Burns  
Andrew Cowie  
Sophie Flemig  
Sheila Gunn  
Jennifer Henderson  
Christine Lester  
Ruth MacLeod  
Tim McKay (Chair)  
Geraldine Wooley

IN ATTENDANCE: Antony Clark, Executive Director of Performance Audit and Best Value (PABV)  
John Cornett, Executive Director of Audit Services  
Elaine Boyd, Director, Audit Quality and Appointments (AQA) (items 8, 9 and 10)  
John Gilchrist, Manager, AQA (items 8, 9 and 10)  
Martin McLauchlan, Policy Manager, Accounts Commission  
Blyth Deans, Audit Manager, PABV  
Kenneth Oliver, Executive Director of Innovation and Quality (items 8, 9 and 10)  
Owen Smith, Senior Manager, AQA (items 8, 9 and 10)

<u>Item no.</u>	<u>Subject</u>
1.	Interim audit quality report
2.	Code of Audit Practice: Supplementary guidance – wider scope audit, less complex bodies and Best Value
3.	Audit Quality Framework discussion

These item numbers are different from the item numbers on the agendas of both committees.

## 1. Interim audit quality report

The committees considered a report by the Director of Audit Quality and Appointments (AQA) presenting the Audit Quality Interim Report which summarised the results of AQA's work from 1 April 2022 to 30 September 2022 on the quality of audit planning.

During discussion, the committees:

- Noted advice from the Director AQA and Executive Director ASG on capacity and timings, including delays resulting from prior year work concluding later than planned and/or the timing of governance committees.
- Noted advice from the Director AQA and Executive Director ASG about a small number of delays being attributable to technical issues relating to the quality of accounts, including the impact of capacity issues at audited bodies.
- Noted advice from the Director AQA and Executive Director ASG that mitigations are in place to ensure consistency in how Best Value and wider scope work is presented within Annual Audit Plans, including the expectation that this issue will not arise in future years.
- Noted advice from the Director AQA, Executive Director ASG and Executive Director I&Q about progress with ensuring fraud is appropriately considered by auditors, including compliance with revisions to ISA 240.

Following discussion, the committees agreed to:

- Endorse the conclusions of the Director.
- Note the other conclusions in the report, namely:
  - the good level of compliance of AAPs with the relevant guidance whilst noting the areas for improvement by some auditors
  - the updated position on Audit Scotland's improvement plans and the recommendation to consolidate them into one quality action plan which should be subject to regular monitoring (including that Audit Scotland provide an update on progress of actions within their consolidated quality action plan early in the new year).

*Action: Exec Directors ASG and I&Q*

- the positive steps that have been taken by Audit Scotland to implement improvements and the need to increase the pace of the change to support audit staff deliver high quality audits
- the continuing need to closely monitor the delivery of 2021/22 audits
- the assurance provided by AQA and Professional Support's quality checks that the breach of ISA 700 (UK) found by ICAS in their quality review of the 2020/21 National Records of Scotland audit was an isolated issue
- the work done by AQA to monitor audit quality risks emerging from the wider audit profession and how they could impact upon the audit of the Scottish public sector.

## 2. Code of Audit Practice: Supplementary guidance – wider scope audit, less complex

### bodies and Best Value

The committees noted the Supplementary guidance to the Code of Audit Practice on wider scope audit, less complex bodies and Best Value.

During discussion, the committees:

- Agreed to the Director AQA providing further contextual information related to Best Value reporting in Year 1 (paragraph 48 of the guidance).

*Action: Director AQA*

### 3. Audit Quality Framework discussion

The committees considered a report by the Director of Audit Quality and Appointments (AQA) prepared for discussions with stakeholders on the development of the next Audit Quality Framework (AQF).

During discussion, the committees:

- Discussed the nature and value of Key Performance Indicators (KPIs) in assessing quality, particularly the need to be clear about the rationale for any overall expansion in the number of KPIs. .
- Noted advice from Director AQA on the sequencing of approval as presented in the timeline and the role of the Audit Committee.
- Noted the importance of the Partnership Working Framework in ensuring the Commission's expectations are met.

Following discussion, the committees agreed to:

- Note the success of the AQF to date and the international comparison findings.
- Agree the proposed timeline and approval route, subject to further consideration and clarification on both the timing of Commission engagement and the role of the Audit Committee.

*Action: Director AQA*

### Close of meeting

The meeting closed at 12.05 pm.

**MEETING: 8 DECEMBER 2022**

**REPORT BY: POLICY MANAGER, ACCOUNTS COMMISSION**

**AUDIT SCOTLAND BOARD UPDATE**

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### **Purpose**

1. This report provides an update on the business of the Audit Scotland Board.

### **Background**

2. Audit Scotland is established in statute to “provide such assistance and support as the Auditor General and the Accounts Commission require in the exercise of their respective functions and, in particular, is to provide them, or ensure that they are provided, with the property, staff and services which they require for the exercise of those functions”.<sup>1</sup>
3. Audit Scotland (i.e. its Board) consists of the Auditor General for Scotland, the Chair of the Commission, and three other members.<sup>2</sup> These three members, including a Chair, are appointed by the Scottish Commission for Public Audit.<sup>3</sup>
4. As well as being a member of Audit Scotland’s Board, the Commission Chair is also a member of its two committees, the Audit Committee and the Human Resources and Remuneration Committee.
5. In [Public Audit in Scotland](#)<sup>4</sup>, the Commission, the Auditor General for Scotland and Audit Scotland set out how they together deliver public audit in Scotland. They state that “by working together and each fulfilling our distinct roles, the Auditor General, the Accounts Commission and Audit Scotland will ensure a strong system of public audit works to support transparency and promote improvement in the performance of public bodies.”
6. To this end, the Commission at its meetings considers for its interest the business of Audit Scotland Board.

### **Current Board business**

7. This report provides the Commission with the latest available minutes from the meeting of the Audit Scotland Board, in this case the meeting of 28 September 2022. They are attached in Appendix 1.
8. The most recent meeting of the Board was on 23 November 2022, but the minutes of this meeting are not yet publicly available as they are yet to be ratified by the Board. They will be available after the next Board meeting on 24 January 2023 and considered by the Commission at its February meeting.

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<sup>1</sup> Public Finance and Accountability (Scotland) Act 2000, Section 10(3).

<sup>2</sup> Public Finance and Accountability (Scotland) Act 2000, Section 10(2).

<sup>3</sup> The Scottish Commission for Public Audit was established under Section 12 of the Public Finance and Accountability (Scotland) Act 2000 and is made up of 5 MSPs. Its main areas of responsibility are to (a) examine Audit Scotland’s proposals for the use of resources and expenditure and report on them to the Parliament; (b) appoint an auditor to audit the accounts of Audit Scotland; (c) lay these accounts and auditor’s report before the Parliament; and (d) appoint three of the five members of Audit Scotland’s Board, including its Chair.

<sup>4</sup> *Public Audit in Scotland*, Accounts Commission, Auditor General and Audit Scotland, May 2015.

9. The Commission has agreed however that the agenda for the most recent Board meeting be provided (even if the minute is not yet available). The agenda is attached in Appendix 2. The Chair will provide a verbal update on any relevant business for members' interest and invites questions from members to this end.

### **Conclusion**

10. The Commission is invited to consider this update for its interest and seek further information from the Chair as appropriate.

**Martin McLauchlan**  
**Policy Manager, Accounts Commission**  
**29 November 2022**



# Minutes Board

Wednesday 28 September 2022, 10.00am  
Audit Scotland, 102 West Port and Microsoft Teams

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## **Present:**

Alan Alexander (Chair)  
Stephen Boyle  
Colin Crosby  
Jackie Mann  
William Moyes

## **Apologies:**

There were no apologies.

## **In attendance:**

Vicki Bibby, Chief Operating Officer  
Martin Walker, Director of Corporate Support  
Gayle Fitzpatrick, Corporate Governance Manager  
Ian Metcalfe, Corporate Performance Officer  
Stuart Dennis, Corporate Finance Manager  
Susan Burgess, Assistant HR Manager  
Michelle Borland, Business Manager, Performance Audit and Best Value  
Simon Ebbett, Communications Manager  
Michael Oliphant, Audit Director, Audit Services Group  
Stephanie Harold, Senior Audit Manager, Audit Services Group

## **1. Private meeting of Board members**

The Board met privately and there were no matters arising.

## **2. Welcome and apologies**

*Vicki Bibby, Chief Operating Officer, and Martin Walker, Director of Corporate Support, joined the meeting.*

The Chair welcomed attendees to the meeting.

## **3. Declarations of interest**

The following declarations of interest were noted:

Colin Crosby, in relation to item 25 is a member of ICAS.

Stephen Boyle, in relation to item 25 is a member of CIPFA.

#### **4. Items to be taken in private**

The Chair invited members to agree that items 21, 22, 23, 24 and 25 of the agenda be considered in private for the reasons stated on the agenda. The members agreed.

#### **5. Chair's report – verbal update**

The Chair advised of regular meetings with Stephen Boyle, Auditor General for Scotland and Accountable Officer, William Moyes, the Chair of the Accounts Commission, and Martin Walker, Director of Corporate Support on various operational matters, including more recent introductory meetings with Vicki Bibby, Chief Operating Officer, John Cornett, Executive Director of Audit Services and Kenny Oliver, Executive Director of Innovation and Quality.

The Chair highlighted his attendance at the engagement session with Richard Leonard, Chair of the Public Audit Committee (PAC) in June.

The Chair invited members to note his attendance at the Scottish Commission for Public Audit (SCPA) at the end of June, alongside the Auditor General, Director of Corporate Support and Corporate Finance Manager to present the annual report and accounts. The Chair also noted the constructive SCPA informal business planning day in August.

The Chair noted the great value in both the recent Board Strategic session, and the Audit Committee's Risk Management and Digital Security session in August.

The Chair advised of regular informal meetings with other Non-Executive Board members as and when the need arises and advised that he will have concluded all appraisals by the end of today.

The Chair noted his recent engagement with Judith Strange, facilitator, for the agenda for the Audit Scotland Board Development session on 31 October 2022.

The Chair invited members to note his involvement as an external member of the panel for the appointment of the Wales Audit Office Chair and Non-Executive Board Members.

In addition, the Chair advised of his attendance at the Audit Committee meeting on 7 September.

Following discussion, the Board welcomed the update.

#### **6. Accountable Officer's report – verbal update**

Stephen Boyle invited the Board to note some of his engagements had been covered under the Chair's report, as well as regular engagement with the Chair, the Chair of the Accounts Commission, and monthly Joint Work Programme meetings.

Stephen confirmed Audit Scotland's Executive Team is now at full capacity and the main priorities are considering the delivery of the audit work and working with the Auditor General, the Board and the Accounts Commission in the coming months to progress the Partnership Framework, Corporate Plan, and the values for the organisation.

Stephen invited members to note the keynote session he delivered as part of the Audit Scotland 2022 programme: 200 colleagues attended and the session explored a range of

themes and reflections from Stephen now that's he is two years into the role, and the challenges facing Scotland's public bodies.

In relation to Parliamentary engagement, Stephen invited members to note attendance with the Chair at SCPA and Richard Leonard's meet and greet, Stephen continues to have regular engagement with the Chief Executive of the Scottish Parliament. Stephen advised that planning is underway for PAC members to visit Audit Scotland and engage with colleagues. Since Parliament has reconvened, Stephen highlighted his recent evidence to PAC on Scotland's Colleges report, attendance at the Finance and Public Administration Committee (FPAC) as part of their pre-budget scrutiny 2023/24 and will attend the Social Justice & Social Security Committee next week on the Social Security report. Regular engagement continues MSPs, most recently Daniel Johnson MSP on the governance of Scotland's public bodies and Pam Duncan Glancy on social security matters.

Turning to external engagement, Stephen invited members to note his engagement with the Institute Chartered Accountants of England & Wales to discuss their approaches and developments in accounting standards and digital auditing. Stephen was joined by Antony Clark in meeting the Head of the Royal Society of Arts in Scotland and gave an interview to Holyrood Magazine on his work two years into the role, the challenges facing Scotland's public bodies and highlighted the commentary from the AGS and Accounts Commission on the 10<sup>th</sup> anniversary of the Christie Commission report.

Stephen noted ongoing engagement with the Scottish Government's Permanent Secretary and that he had met the new Chair & Deputy Chair of Scottish Government's Audit Committee.

In relation to the other audit agencies, Stephen continues regular engagement with the Controller & Auditor General at National Audit Office and has an introductory meeting with the new Comptroller and Auditor General at NIAO in the next fortnight, ahead of the biannual UK&I Auditors General & Chief Operating Officers meeting in December in Edinburgh.

Following discussion, the Board welcomed the update.

## **7. Accounts Commission Chair's report – verbal update**

William Moyes invited the Board to note that the new Controller of Audit has been appointed and will join end December 2022/early 2023. He also confirmed that the recruitment process for four Accounts Commission members had been completed and the induction will commence once Ministerial approval has been confirmed. He also advised that further recruitment would commence in December for a further three Accounts Commission members and a Deputy Chair.

William advised that the Accounts Commission Change Programme is progressing and will follow up with the Chief Operating Officer to progress the Partnership Working Framework. It was further noted that the Child Poverty media coverage was Audit Scotland focussed, rather than a focus on local government and that he would follow up on this separately.

Following discussion, the Board welcomed the update.

## 8. Review of minutes

### Audit Committee meeting: 1 June 2022

The Board noted the minutes of the Audit Committee meeting of 1 June 2022, copies of which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting, having been approved at Audit Committee on 7 September 2022.

Colin Crosby gave thanks to those involved in the 'deep dive' risk assessment sessions.

### Board meeting: 1 June 2022

The Board considered the minutes of the meeting of 1 June 2022, copies of which had been previously circulated.

The Board approved the minutes as an accurate record of the meeting.

## 9. Review of action tracker

The Board noted the updates provided on the action tracker and agreed no further updates were required at the meeting.

Martin Walker invited the Board to note under action ASB167 in relation to external review of international work that audit work was undertaken in compliance with international standards and that the focus of the work was largely around shared learning. On this basis it was considered that additional external assessment may not be proportionate.

***Action ASB171: International Manager to examine any work undertaken on evaluation processes in relation to international work by other audit agencies (November 2022).***

The Board noted the updated action tracker.

## 10. Covid-19 – verbal update

Martin Walker provided a verbal update on matters related to Covid-19, noting in relation to the external environment, the most recent statistics are going in the right direction despite numbers in Scotland being slightly higher than elsewhere in the UK. He advised that Executive Team continue to monitor and discuss this at its weekly meeting.

In relation to the internal environment, the Board were invited to note that one colleague posted time to sickness absence due to Covid-19 in the last week, confirming the impact to business is minimal.

Martin advised that Public Health Scotland were changing reporting arrangements around Covid-19 highlighting this will be reflected in internal reporting and subsequent Board update reporting.

Vicki Bibby invited the Board to note that the November Board meeting will consider whether to continue with Covid-19 as a standing item going into the winter period, potentially to be covered more widely under a Health and Safety item.

Following discussion, the Board noted the update.

## 11. Strategic Improvement Programme update

Martin Walker introduced the Strategic Improvement Programme update report, copies of which had been previously circulated. He invited the Board to note the key milestones at paragraph 4 since the last report in June and highlighted paragraph 7 relating to the review of the Strategic Improvement Programme (SIP) mainly involving streamlining and the consolidation of projects.

Martin invited the Board to note the progress reported on the Strategic Improvement Programme and next steps.

During discussion, the members noted it would be helpful for the Board to receive an update on the future of the audit profession generally, to include an update on progress since the Innovation and Quality team was established drawing out the specifics on quality and connecting to the Corporate Plan.

In relation to the Estate Strategy (paragraph 17), members agreed to ask Stuart Dennis for an update when he joins the meeting at item 13.

In relation to the People Strategy (paragraph 12), members were invited to note that the People Strategy will not go to November Remco as stated. Work is ongoing and the updated People Strategy document will be considered at a future RemCo meeting.

Following discussion, the Board welcomed the update and noted the progress reported, and next steps.

**Action ASB172:** *Martin Walker and Vicki Bibby and Stephen to consider timings for an item on the audit profession and to include an update on Innovation & Quality in relation to the SIP review. (January 2023).*

**Action ASB173:** *Martin Walker agreed to liaise with the Audit Quality and Appointments (AQA) team for timescales on the New Audit Appointments lessons learned exercise being presented to the Board (October 2022).*

## 12. Q1 Corporate performance report

*Gayle Fitzpatrick, Corporate Governance Manager, and Ian Metcalfe, Corporate Performance Officer, joined the meeting.*

Gayle Fitzpatrick introduced the Q1 Corporate performance report, copies of which had been previously circulated. Gayle invited the Board to note key highlights in the report: there are four objectives rated amber: relevant and timely audits, management of resources, maximise efficiency and audit quality. Gayle also highlighted the significant media coverage on recent reports: Covid-19, Local Government Overview and Social Security; and the 12% budget variance, which is primarily due to a phasing issue in relation to recruitment and vacant posts (now filled) and the phasing of audits.

Gayle invited the Board to review the performance in quarter one and consider whether any additional management action is required.

During discussion, the Board recognised the content of the report was useful but that the future presentation of reports should be considered to provide clarity to the Board in governance terms on key issues for decisions and where appropriate, clearer delineation between the reporting of work for the Accounts Commission and the Auditor General.

The Board was invited to note that work is ongoing towards developing and refining a set of indicators more useful to the Board, linking with the Corporate Plan working group and that the intention is to revise the performance management framework which will be reflected in Board reports in due course.

Following discussion, the Board welcomed the update.

***Action ASB174: Gayle Fitzpatrick and Ian Metcalfe agreed to present proposals on revised corporate performance reporting in November with a view to a more detailed report in January 2023 (November 2022).***

*Gayle Fitzpatrick and Ian Metcalfe left the meeting.*

### **13. Q1 Financial performance report**

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the Q1 Financial performance report, copies of which had been previously circulated.

Stuart invited the Board to note the financial results for the three months to 30 June 2022, recognising the expectation to be in a similar financial position by the end of quarter two with no significant further changes expected.

During discussion, the Board noted an update on the estate strategy with an update to be presented at the November Board meeting with options on the current office space in Edinburgh. The Board were invited to note that the estate strategy should be finalised and in place by March 2023.

During discussion, the Board members considered the factors which may impact on the estate strategy including hybrid working patterns, potential changes to working practices and cost implications as well as ensuring there is robust data on any decision resulting in major changes.

Following discussion, the Board noted the financial results for the three months to 30 June 2022.

***Action ASB175: Estate strategy update report to be presented to the November Board (November 2022).***

*Stuart Dennis left the meeting.*

## 14. Annual review of corporate governance policies

*Gayle Fitzpatrick, Corporate Governance Manager, and Ian Metcalfe, Corporate Performance Officer, re-joined the meeting.*

Gayle Fitzpatrick introduced the Annual review of corporate governance policies report, copies of which had been previously circulated. Gayle invited Board members to note that all documents presented today had been recommended to the Board by the Audit Committee on 7 September 2022, noting an action in relation to the articulation of the purpose of the Board and its committees that Martin Walker agreed to progress with William Moyes.

The Board noted a request to include excerpts from the legislation into the Standing Orders and Financial regulations relating to resourcing.

Following discussion in relation to the Standing Orders, members noted the query on paragraph 18 that the Auditor General and Chair of the Accounts Commission must be present for a quorum to be constituted and whether this was in legislation. Subject to confirmation of the legislative requirements, members noted that paragraph 21 would be deleted.

Following discussion, the Board noted the update and approved the policies for a further year, subject to the amendments agreed during discussion and clarification required in relation to the Standing Orders and Financial Regulations.

**Action ASB 176:** *Gayle Fitzpatrick and Ian Metcalfe agreed to check legislation in relation to paragraph 18 and delete paragraph 21 accordingly, sharing with the Board for approval by correspondence with updated tracked changes for reference.*

## 15. Annual policy review of records management policies

Gayle Fitzpatrick introduced the Annual policy review of records management policies report, copies of which had been previously circulated.

Gayle invited the Board to approve the updated records management policy, which is reviewed on an annual basis, highlighting the only minor change is that the new five-year records management plan has been approved by the National Records for Scotland, resulting in a considerable amount of development work around that.

During discussion, the Board noted the statutory obligations around records management that Audit Scotland must fulfil, resulting in the requirement for Board approval of this policy.

Following discussion, the Board approved the updated records management policy.

*Gayle Fitzpatrick and Ian Metcalfe left the meeting.*

## 16. Staff handbook policy review

*Susan Burgess, Assistant HR Manager, joined the meeting.*

Susan Burgess introduced the Whistleblowing Policy, copies of which had been previously circulated.

Susan invited the Board to note the report and approve the proposed changes to the Whistleblowing Policy, highlighting that only minor changes are proposed at this point, recognising there is more to do regarding supplementing this with further guidance.

During discussion, the Board requested consideration be given to potential wording to clarify alternative routes for staff to raise concerns externally and consider whether paragraph 9 on anonymity is robust enough.

Following discussion, the Board noted the report and approved the proposed changes to the Whistleblowing policy, recognising that further clarification and development work is in underway. Any further advice/approval required out with the usual policy review cycle will be done via correspondence with the Board.

*Susan Burgess left the meeting.*

## **17. 2023 Proposed Board and Committee meeting schedule**

Martin Walker introduced the 2023 Proposed Board and Committee meeting schedule report, copies of which had been previously circulated.

Martin invited the Board to approve the proposed meeting dates for 2023 and to approve the option of holding a meeting in the Glasgow office.

Following discussion, the Board approved the proposed meeting dates for 2023 and agreed the proposal to hold a meeting in the Glasgow office annually.

## **18. Any other business**

There was no other business for discussion.

## **19. Review of meeting**

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion.

The Chair thanked everyone for their contributions.

## **20. Date of next meeting: 23 November 2022**

The members noted the next meeting of the Audit Scotland Board is scheduled for 23 November 2022.

## **Items taken in private**

### **21. HSE stress survey results and action plan**

Martin Walker introduced the HSE stress survey results and action plan report, copies of which had been previously circulated.

Martin invited the Board to consider the survey results and the planned actions and next steps.



During discussion, the Board noted the open and transparent approach to sharing the results with the organisation noting that this involved engaging with different forums across the organisation.

Martin invited the Board to note a verbal update on the more recent Pulse survey results, checking awareness in relation to the HSE stress survey results and the existing bullying and harassment policy and invited comments on the findings of the survey.

During discussion, the Board noted the survey response rate was generally similar to other surveys, with the exception of Best Companies survey.

During discussion, the Board were advised that Executive Team will work with the Health, Safety & Wellbeing Committee (which includes union and staff representation) on the wider culture in the organisation, values and behaviours as part of the Corporate Plan and being explicit for what good looks like.

Following discussion, the Board welcomed the report and welcomed the immediate actions and medium-term actions (for further update at November Board), noting Executive Team will keep the Board informed via correspondence if required, between meetings.

**Action ASB177:** *Executive Team to consider more regular surveys to inform trends and further data for future comparisons (June 2023).*

## **22. Our purpose workstream: Update on Public Audit in Scotland and the new Audit Scotland corporate plan**

*Michelle Borland, Business Manager, Performance Audit and Best Value, and Simon Ebbett, Communications Manager, joined the meeting.*

Simon Ebbett introduced the Our purpose workstream: Update on Public Audit in Scotland and new Audit Scotland corporate plan report, copies of which had been previously circulated.

Simon advised the Board that the invitation to tender for external consultancy work to support the project had gone out to tender last week and invited the Board to discuss some key points for feedback including the strategic planning framework, the outcomes-based approach: the balance between audit outcomes and policy outcomes, and the consultation and engagement plans for the Accounts Commission, AGS and Executive Team.

During discussion, the Board noted that the strategic planning framework (fig 2) is a standard model, albeit more complicated due to the tripartite model of public audit in Scotland.

Board members noted that the starting point for this work is to find a shared vision, outcomes and principles between the Accounts Commission, Auditor General and Audit Scotland and look at producing a clearer framework diagram to reflect this.

Following discussion, the Board agreed to consider further information via correspondence.

*Michelle Borland and Simon Ebbett left the meeting.*

## 23. 2023/24 Budget proposal

*Stuart Dennis, Corporate Finance Manager, re-joined the meeting.*

The Chair invited consideration of this item together with the following item on the Medium Term Financial Plan given the links between them.

Stuart Dennis introduced the 2023/24 Budget proposal report, copies of which had been previously circulated.

Stuart invited the Board to note the 2023/24 budget as a work in progress with an updated budget proposal to be presented to the November Board meeting.

During discussion the Board was invited to discuss the 2022/23 proposed fee increase (paragraph 31) and the planned communications to audited bodies.

Stuart invited the Board to discuss and note the current position in respect of the 2023/24 draft budget proposal.

Following discussion, the Board noted the current position in respect of the 2023/24 draft budget proposal.

**Action ASB178:** *The Board agreed that it might be prudent to issue a joint letter from the Auditor General and Chair of the Accounts Commission to firms regarding the fee increase, particularly those affecting small organisations . (October 2022)*

**Action ASB179:** *Stuart Dennis will look at options in relation to phasing the fee increase and report back to the November Board with recommendations.*

## 24. Medium Term Financial Plan 2022-23 to 2026-27

Stuart Dennis introduced the Medium Term Financial Plan 2022-23 to 2026-27 report, copies of which had been previously circulated.

Stuart invited the Board to consider and discuss the draft Medium Term Financial Plan, noting this is based on scenarios discussed at the Board Strategic Session and will be updated with all variables at the November Board.

Following discussion, the Board welcomed and noted the report.

*Stuart Dennis left the meeting.*

## 25. 10-year review of trainee scheme provider

*Michael Oliphant, Audit Director, Audit Services Group, and Stephanie Harold, Senior Audit Manager, Audit Services Group, joined the meeting.*

Michael Oliphant introduced the 10-year review of trainee scheme provider report, copies of which had been previously circulated.

Michael invited the Board to discuss the findings from the review, note the anticipated costs over a five-year period, note the recommendations to look at the feasibility of transitioning college leavers and trainees on modern apprenticeship schemes into audit

roles, and approve the recommendation to continue with ICAS as the training scheme provider.

Following discussion, the Board noted the anticipated costs over a five-year period, noted the recommendations to look at the feasibility of college leavers and modern apprentices transitioning into audit roles, and approved the recommendation to continue with the current supplier as the training scheme provider.

*Michael Oliphant and Stephanie Harold left the meeting.*

# Agenda

10.15 Wednesday 23 November 2022  
Audit Scotland, 102 West Port and  
Microsoft TEAMS

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1. Private meeting of members
  2. Welcome and apologies
  3. Declarations of interest
  4. Items to be taken in private
- 

## Standing items

- |  |                 |
|--|-----------------|
| 5. Chair's report - verbal update                              | For information |
| 6. Accountable Officer's report - verbal update                | For information |
| 7. Accounts Commission Chair's report - verbal update          | For information |
| 8. Review of draft minutes:                                    |                 |
| • Remuneration and Human Resources Committee 11 May 2022       | For information |
| • Audit Committee 7 September 2022                             | For information |
| • Board meeting: 28 September 2022                             | For approval    |
| • Remuneration and Human Resources Committee 28 September 2022 | For information |
| 9. Review of action tracker                                    | For information |
| 10. Covid-19 – verbal update                                   | For information |
- 

## Business planning, performance and governance

- |                                     |                 |
|-------------------------------------|-----------------|
| 11. Q2 Corporate performance report | For information |
| 12. Q2 Financial performance report | For information |
| 13. Corporate Governance Documents  | For approval    |
| • Standing Orders                   |                 |
| • Financial Regulations             |                 |

## 14. Bullying and harassment policy

For approval

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### Conclusion

#### 15. Any other business

For discussion

#### 16. Review of meeting

For discussion

#### 17. Date of next meeting: 24 January 2023

For information

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### Items to be taken in private

#### 18. Our purpose workstream: Update on Public Audit in Scotland and the new Audit Scotland corporate plan

For discussion

[Item to be taken in private to support the effective conduct of business, intended for future publication]

#### 19. SCPA budget proposal 2023/24

For approval

[Item to be taken in private to support the effective conduct of business, intended for future publication]

#### 20. Spring Budget Revision 2022/23

For approval

[Item to be taken in private to support the effective conduct of business, intended for future publication]

#### 21. Environment, Sustainability and Biodiversity Annual Report 2021/22

For approval

[Item to be taken in private to support the effective conduct of business, intended for future publication]

#### 22. Procuring External Quality Assurance 2022-28

For approval

[Item to be taken in private to support the effective conduct of business, commercial sensitivity]

**MEETING: 8 DECEMBER 2022**

**REPORT BY: EXECUTIVE DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE**

**STRATEGY AND WORK PROGRAMME: WORK PROGRAMME UPDATE**

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### **Purpose**

1. This paper introduces the joint Accounts Commission and Auditor General for Scotland (AGS) work programme update.

### **Background**

2. In April 2021 the AGS and the Commission agreed the joint dynamic work programme. We published this on the Audit Scotland website on 24 May 2021. This is the sixth quarterly update of the programme and the next update will be in March 2023.

### **Scope and approach**

3. Appendix one presents the work programme update. It aims to provide one report that meets the needs of the Commission and the AGS, with clarity on who is producing which products and when. It covers our whole range of audit work and includes:
  - a) **What we've delivered:** From September 2022 to November 2022.
  - b) **What's coming up:** Planned audit products from December 2022 to June 2023, and audit work in the pipeline from Q2 23/24 to March 2025.
  - c) **Decisions required:** Proposed changes to the programme.
4. In this update report our key messages recognise that the work programme is busy during Q4 and Q1. We have been proactive about managing the publications schedule during this period, considering how different types of products and different authors can reduce pressure, as well as making decisions about prioritising and pushing back publications where necessary to give products adequate space to have impact. We welcome the Commission's feedback on the relative priorities within the short and longer-term programme to help us make strategic recommendations about the spacing and sequencing of products, as well as where to focus resources.
5. To support the dynamic programme, we continue to review and analyse feedback and discussions from Accounts Commission meetings and Performance Audit Committee (PAC) and Financial Audit and Assurance Committee (FAAC) meetings. We share this analysis with senior managers in PABV to inform our research and development work and this update.

### **Wider work programme development**

6. Accounts Commission members will see some of their feedback addressed through specific audit work over the coming months and in the longer-term programme, while some feedback will be addressed through our wider work programme development plans.

### ***Impact monitoring, evaluation and reporting***

7. We continue to pilot the new approach to monitoring, evaluating and reporting on both the impact of the audit work we undertake on behalf of the AGS and the Commission, and on stakeholder perceptions and awareness of the parties involved in public audit in Scotland.
8. Since the last work programme update in August, we have developed the scope of our first impact summary report, due in March 2023. This is summarised in appendix two.
9. Through this work programme update the Commission will see early examples being proposed of the flexible approach to impact reporting. This includes the proposed impact blog on education outcomes in Q4 22/23 and proposed impact briefing on City Region and Growth Deals in Q1 23/24.

### ***Resourcing the work programme***

10. We continue to improve and refine our data and reporting in this area. Table 1 outlines planned audit work in 2022/23 within each portfolio and indicative budgets by portfolio as at the end of Q2. and connections to the Commission's aims and priorities as outlined in its strategy. The portfolio breakdown is illustrated in Figure 1. There have been no significant changes to this data since Q1 and in this quarterly update, there are no significant additions proposed to the work programme that would impact on existing planned work or budgets.
11. This resource reporting approach aims to provide assurance that audit resources are being deployed in ways that reflect the Commission's aims and priorities. Commission members can see how resources are deployed across research and development and the range of audit products within portfolios, including: performance audits, overviews, briefings and Best Value work. Commission members may wish to consider how this product mix delivers on the Commission's aims and priorities and whether they feel the balance is correct in terms of the impact the Commission wants to have. To support this thinking and to follow up on feedback from previous meetings, below is an initial indication of the average cost of different products. We expect this information to be more comprehensive over time as the number of outputs included is larger.
  - a) Performance audits and overviews: £189k
  - b) Briefings: £66k
  - c) Blogs: £10k

**Table 1: Planned audit work and budget by portfolio, linked to Commission priorities**

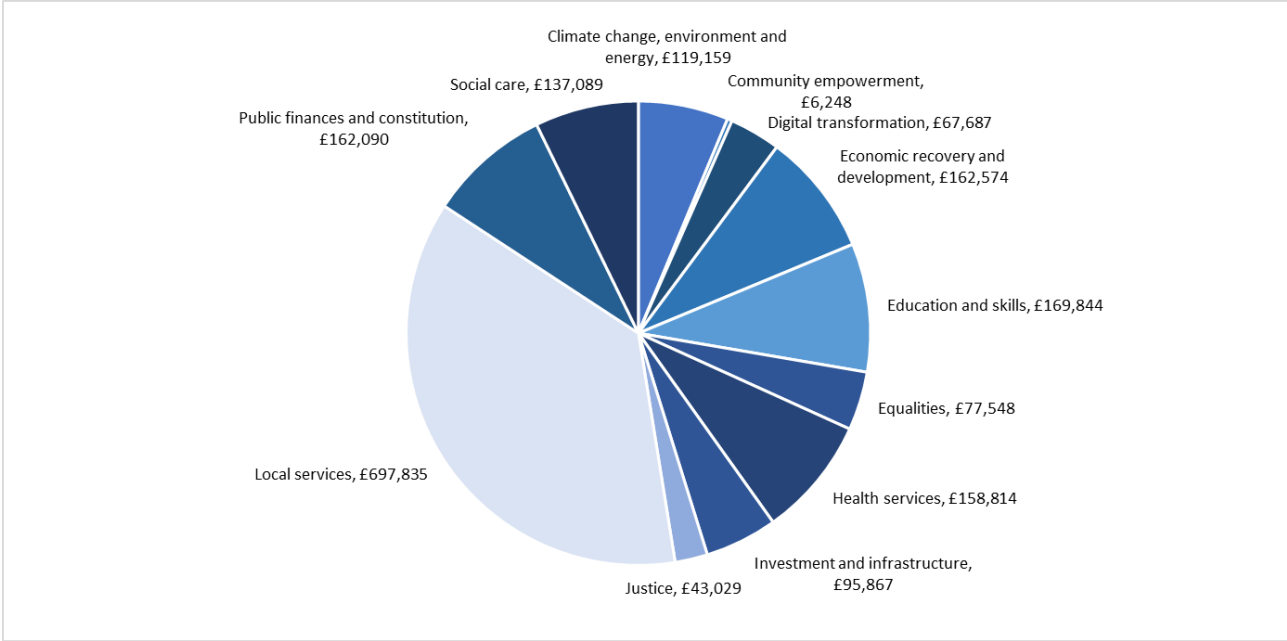
<b>Portfolio</b>	<b>Planned audit work in 2022/23</b>	<b>Indicative Budget as at end of Q2</b>	<b>Connects to Commission strategy</b>
Climate change, environment and energy	Scotland's councils' approach to climate change (Briefing)  Research and development	£119,159	<b>Aims:</b> Seeking to assure   Helping to improve   Improving performance reporting  <b>Priorities:</b> Communities

<b>Portfolio</b>	<b>Planned audit work in 2022/23</b>	<b>Indicative Budget as at end of Q2</b>	<b>Connects to Commission strategy</b>
Community empowerment	Research and development	£6,248	To be confirmed once audit products agreed
Digital transformation	Digital exclusion and connectivity (Performance audit) Research and development	£67,687	<b>Aims:</b> Seeking to assure   Helping to improve <b>Priorities:</b> Inequalities
Economic recovery and development	Research and development Future audit products on supporting economic development and growth (to be confirmed later in 2022)	£162,574	<b>Aims:</b> Seeking to assure   Helping to improve <b>Priorities:</b> Recovery
Education and skills	Children and young people who need additional support for learning (Blog) Early learning and childcare (Performance audit) Research and development	£169,844	<b>Aims:</b> Seeking to assure   Helping to improve <b>Priorities:</b> Inequalities   Communities
Equalities	Tackling child poverty (Briefing) Mainstreaming equality and equality outcomes: Interim progress report Research and development	£77,548	<b>Aims:</b> Seeking to assure   Helping to improve <b>Priorities:</b> Inequalities   Funding   Communities
Health services	Adult mental health (Performance audit) Research and development	£158,814	<b>Aims:</b> Seeking to assure   Helping to improve <b>Priorities:</b> Inequalities   Communities
Investment and infrastructure	Future audit products on infrastructure and investment (to be confirmed) Research and development	£95,867	To be confirmed once audit products agreed
Justice	Research and development	£43,029	To be confirmed once audit products agreed
Local services	Financial overview of local government 2020/21	£697,835	<b>Aims:</b> Securing public audit   Seeking to assure   Helping to



Portfolio	Planned audit work in 2022/23	Indicative Budget as at end of Q2	Connects to Commission strategy
	<p>Local government in Scotland Overview 2022</p> <p>Integration Joint Boards: Financial Analysis 2020/21</p> <p>Angus Council BVAR</p> <p>Shetland Islands Council BVAR</p> <p>Comhairle nan Eilean Siar BVAR</p> <p>Local government financial bulletin 2021/22</p> <p>Future Best Value work under new audit appointments (COA reports, AARR, Legacy thematic report)</p> <p>Research and development</p>		<p>improve   Improving performance reporting</p> <p><b>Priorities:</b> Inequalities   Funding   Recovery   Communities</p>
Public finances and constitution	<p>Scotland's financial response to Covid-19 (Performance audit)</p> <p>Local government budget briefing (Internal briefing)</p> <p>Covid-19 finances update 2022/23</p> <p>Research and development</p>	£162,090	<p><b>Aims:</b> Seeking to assure   Helping to improve</p> <p><b>Priorities:</b> Recovery   Funding</p>
Social care	<p>Social care (Performance audit)</p> <p>Social care (Briefing)</p> <p>Research and development</p>	£137,089	<p><b>Aims:</b> Seeking to assure   Helping to improve</p> <p><b>Priorities:</b> Inequalities   Funding   Communities</p>
<b>Current budget for Commission work</b>		£1,897,784	
<b>Contingency available for further Commission work</b>		£281,943	
<b>Overall audit work budget for PABV</b>		£4,558,096	
<b>Percentage of total budget for Commission work</b>		48%	

**Figure 1: Commission resources broken down by portfolio**



**Conclusion**

12. The Commission is asked to:

- a) note the progress delivering the work programme from September to November 2022
- b) note the planned products up to June 2023 and identify its priorities within these plans.
- c) discuss and agree the proposed changes to the programme, summarised on slides 8-9 of Appendix one.
- d) discuss and feedback on the audit work in the pipeline to 2025, summarised on slides 10-25, noting that this is flexible and can be revisited as part of future work programme updates.
- e) agree to delegate to the Chair and Interim Deputy Chair final approval for this update at a joint meeting with the AGS on 19 December 2022.
- f) discuss and feedback on the planned scope of the first impact summary report due in March 2023.

**Antony Clark**  
**Executive Director of Performance Audit and Best Value**  
**22 November 2022**

**SCOPE OF MARCH 2023 IMPACT REPORTING**

1. The March 2023 impact report will focus on the basic monitoring and basic evaluation aspects of the new impact monitoring, evaluation and reporting framework.
2. Our basic monitoring is gathering data on immediate impact in the first six months after publication and aims to look at whether our recommendations have been accepted, what traction our products are getting and who we are reaching. Our basic evaluation is gathering data on extended impact from six months up to five years. It aims to look at what's happening with our actions and recommendations, how our work is influencing change and what stakeholders think of us.
3. We aim to look across the data from these methods to draw high-level conclusions on the impact the audit work has had and inform discussions about what this means for the future focus and product mix in the dynamic work programme.
4. The report will also include a summary of progress with implementing the new impact approach to date across Audit Scotland, including working with Audit Services Group on the impact of our financial audit work. We will cover key learning to date and how we are using it to continuously improve our audit approach.
5. Table 1 outlines the audits in scope and the measures we will aim to report on in March 2023 for basic monitoring and basic evaluation

**Table 1: Audits and measures in scope for March 2023 impact report**

Method	Audits in scope	Measures we will report
Basic monitoring	<p>National Fraud Initiative in Scotland</p> <p>Shetland Islands Council BVAR</p> <p>Scotland's councils' approach to climate change</p> <p>Tackling child poverty</p> <p>Comhairle nan Eilean Siar BVAR</p> <p>Data gaps - getting the basics right... what more public sector leaders can do</p> <p>Future of Best Value audit reporting</p> <p>Scotland's Public Finances - challenges and risks</p> <p>S22: Scottish Government consolidated accounts</p> <p>S22: National Records of Scotland</p> <p>S22: Crofting Commission</p> <p>S102: Glasgow City Council</p> <p>Local government financial bulletin 2021/22</p> <p>Administration of Scottish Income Tax 2021/22</p>	<p>Amount of coverage (broadcast and print)</p> <p>Number of downloads (web)</p> <p>Amount of social media engagement</p> <p>Amount of parliamentary engagement</p> <p>Attendance at conferences</p>

Method	Audits in scope	Measures we will report
Basic evaluation	<p>Planning for skills (published January 2022)</p> <p>Improving outcomes for young people through school education (Published March 2021)</p> <p>Digital progress in local government (Published January 2021)</p> <p>Scotland's City Region and Growth Deals (Published January 2020)</p> <p>Privately financed infrastructure investment: The Non-Profit Distributing (NPD) and hub models (Published January 2020)</p> <p>Finances of Scottish universities (Published September 2019)</p> <p>Enabling digital government (Published June 2019)</p> <p>Children and young people's mental health (September 2018)</p> <p>Scottish Fire and Rescue Service: An update (May 2018)</p> <p>NHS workforce planning (published July 2017) and NHS workforce planning – part 2 (published August 2019) (Both TBC)</p>	<p><b>Description of change resulting from our work</b></p> <ul style="list-style-type: none"> <li>• Changes influenced by our work</li> <li>• Plans and strategies that reference our work</li> <li>• Improvements in public bodies resulting from our work (actions implemented / advice / sharing good practice)</li> </ul> <p><b>Actions and recommendations tracking</b></p> <ul style="list-style-type: none"> <li>• Percentage of actions and recommendations that are work in progress</li> <li>• Percentage of actions and recommendations that have been implemented</li> <li>• Progress with actions and recommendations</li> <li>• Reflections on effectiveness of actions and recommendations</li> </ul> <p><b>Stakeholder perceptions of:</b></p> <ul style="list-style-type: none"> <li>• Quality of specific reports (good or poor) – Factors to consider in assessing if the report is good include: comprehensive, convincing, timely, reader-friendly, balanced.</li> <li>• Usefulness of specific reports – Factors to consider to determine usefulness include: provides assurance, focused on relevant areas</li> </ul>

<b>Method</b>	<b>Audits in scope</b>	<b>Measures we will report</b>
		for improvement, makes useful recommendations for improvement and helps to influence improvement.

# Dynamic work programme – Update

December 2022

AUDITOR GENERAL 

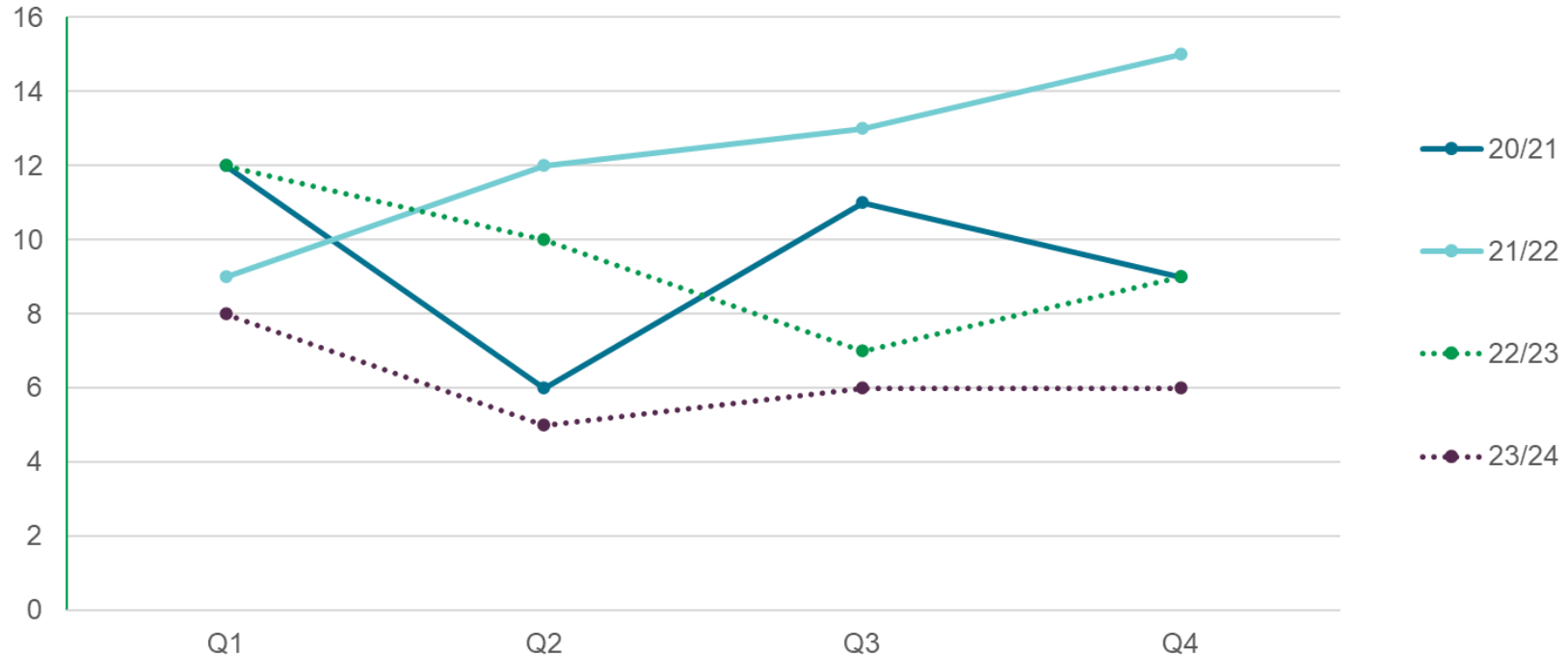
ACCOUNTS COMMISSION 

- 
- We delivered seven audit products between September and November and there are a further 22 products planned between December and June.
  - We recognise that the programme is busy during Q4 and Q1. The graph on slide three shows that this is a predictable pattern, with Q2 in particular being quieter due to the summer holidays and parliamentary recess.
  - We have been proactive about managing the publications schedule during this period, considering how different types of products and different authors can reduce pressure, as well as making decisions about prioritising and pushing back publications where necessary to give products adequate space to have impact.
  - Slides 10-24 outline how we are continuing to develop the longer-term work programme proposals across the portfolios. We would welcome AGS and Commission feedback on the relative priorities to help us make strategic recommendations about the spacing and sequencing of products, as well as decisions about where to focus resources.



# Audit products per quarter since April 2020

## Audit products per quarter since April 2020



## What guides our planning and delivery...

### Providing assurance and driving improvement

We will use our unique local and national perspective to provide assurance about how Scotland's public services are recovering from Covid-19. We aim to provide insight and learning, and drive improvement, innovation and transformational change as Scotland moves towards renewal.

### Taking a person-centred approach

Where possible and appropriate, we will capture the needs and concerns of the people who use public services through our audit work.

### Integrating cross cutting issues

We will integrate consideration of issues that cut across policy areas and have an impact on citizens and service users throughout our audit work and public reporting. We will prioritise developing our audit approach on the following issues: climate change, digital transformation, inequality and human rights, community empowerment.

### Taking a risk-based and proportionate approach

We recognise the potential impact of audit work on people working in public services who are still responding to Covid-19. We will ensure our audit response is proportionate and risk-based, and that audited bodies have clear advance notice of any planned work.

### Being flexible and agile

We will adapt our work programme as new issues emerge or risks change. We will use a range of approaches to report our audit work.



## ECONOMIC RECOVERY AND GROWTH

How public money is being used to support economic recovery and the renewal of public services

- Public finances
- Supporting economic development and growth
- Skills and training
- Infrastructure and investment

## GOVERNANCE AND ACCOUNTABILITY



How public bodies are ensuring proper and effective use of public money across the public sector and within individual bodies

- Collaborative leadership
- Annual audits
- Fraud risks
- Effective scrutiny



## INNOVATION AND TRANSFORMATION

How public bodies are learning through continuous improvement, innovation and by transforming public services

- Local government
- NHS
- Policing
- Best Value
- Service redesign
- Digital transformation
- Workforce planning



## INEQUALITIES AND HUMAN RIGHTS



How Covid-19 is impacting on different groups in society, focusing on the risk of deepening existing inequalities. Helping ensure public bodies address inequalities and protect human rights, recognising the multiple ways people experience disadvantage and poorer outcomes.

- Child poverty
- Children and young people with additional support needs
- Care experienced children and young people
- Mental health
- Housing benefit
- Digital exclusion
- Social security
- Gender pay gap reporting



## POLICY PRIORITIES AND COMMITMENTS

Progress on key policy commitments. Public services' ability to deliver on long-term strategic priorities and outcomes

- Climate change
- Early learning and childcare
- Court backlogs
- Health and social care integration
- Social care
- National Care Service
- Drug and alcohol services
- Community justice
- Community empowerment
- School education
- Housing and homelessness

# What we've delivered: September to November

## Best Value Assurance reports

Comhairle nan Eilean Siar

## Statutory reports

National Records of Scotland

## Briefings

Scotland's councils' approach to climate change

Tackling child poverty

Scotland's Public Finances - challenges and risks

## Other audit products

Data gaps - getting the basics right... what more public sector leaders can do (Roundtable and blog)

Future of Best Value audit reporting (Blog)

### Key:

Auditor General for Scotland

Accounts Commission

Joint – Auditor General and Accounts Commission

Audit Scotland

Joint – Accounts Commission and Audit Scotland

# What's coming up: December to June\*

Overview reports	Performance audits	Other audit products
NHS in Scotland 2022: Scottish Government's NHS Recovery Plan (February)	Climate change: Scottish Government delivery arrangements (April)	Climate change strategy (December)
Local government in Scotland Overview 2023 (May)	Criminal court backlogs (May)	Administration of Scottish Income Tax 2021/22 (January)
	Early learning and childcare (follow up) (June)	Resourcing the benefit service: Thematic study (February)
	Adult mental health (June)	Gender pay gap reporting (February)
Statutory reports	Briefings	
Scottish Government consolidated accounts (December)	AGS budget briefing (Internal) (December)	Annual Assurance and Risks Report (Internal) (March)
Crofting Commission (December)	Local government financial bulletin 2021/22 (January)	Homelessness (Blog) (March)
Glasgow City Council (TBC)	Local government budget briefing (Internal) (February)	Covid-19 finances follow-up (March)
	Integration Joint Boards: Financial analysis 2021/22 (April)	Education outcomes report (Impact blog)
		Mainstreaming equality: progress report 2021-23

Key:

Auditor General for Scotland

Accounts Commission

Joint – Accounts Commission and Audit Scotland

Joint – AGS and Commission

Audit Scotland

\*Months in brackets in tables are indicative publication months

# Summary of proposed changes to programme

Change	Detail
Delaying	<b>Resourcing the benefit service (Commission):</b> We are proposing to delay this product from December to February due to further issues with data availability. We have had returns from 28 out of 32 Councils. To get this we had to extend the deadlines for completion due to competing priorities and key staff leave. In the data validation we identified a number of anomalies that require further engagement with some councils. The number of anomalies is higher than anticipated and it will take more time to ensure the dataset is complete and accurate before we are able to analyse and produce the report.
	<b>Four nations climate change (AS):</b> We are continuing to work with the other UK audit agencies on this product but it is proving to be more complex than originally thought in terms of logistics and coordination. Rather than March 2023, we're now expecting it to be delivered during the summer of 2023.
Removing	<b>Health and social care integration / Social care (AGS and Commission):</b> Following feedback from the AGS and Commission, we are proposing to remove these planned performance audits from the programme. We will keep an active monitoring brief on these areas and regularly report to the AGS and Commission on emerging issues, with a view to adding future products with a more flexible turnaround time to the programme in 2023.
	<b>Green skills (AGS):</b> Following discussions with the AGS we have agreed to remove this product from the programme. This follows the Scottish Government's decision to deliver an independent review of the skills delivery landscape, which has implications for the scope and timing of our proposed product. We will continue to focus on wider R&D and consider what future audit works on skills will look at.

# Summary of proposed changes to programme

Change	Detail
Adding	<b>Climate change strategy (AS):</b> After discussing our approach to auditing climate change with the Audit Scotland Executive Team in August, they asked us to develop a short strategy for both an internal and external audience. We convened a short-life working group with colleagues across the business to draft this and it will publish on 9 December.
	<b>Gender pay gap reporting (Commission and AS):</b> Following issues arising through financial audit work and engagement with the Scottish Government, Equalities and Human Rights Commission and Close the Gap, we are developing a short update on issues with gender pay gap reporting, and the importance of using the data to inform improvements and share good practice. We aim to publish this in February 2023.
	<b>Homelessness (TBC):</b> We are proposing adding a blog to the programme to signal AGS and Commission interest in this area while we continue to develop proposals for future work. The focus will be on the alarming increase in homelessness stats, with families and children in temporary accommodation following the pandemic. Having a home is fundamental to many aspects of well-being affecting physical and mental health, employment prospects, education and access to other services.
	<b>Education outcomes (TBC):</b> We propose publishing a blog in March 2023 on the impact of the 2021 joint report on <a href="#">Improving outcomes for young people through school education</a> . This follows our monitoring work and engagement with the Scottish Government, COSLA, Education Scotland and Association of Directors of Education.
	<b>City Region and Growth Deals (Joint):</b> We are proposing to publish a briefing in early summer 2023 focusing on key areas of progress from the 2020 joint report on <a href="#">City Region and Growth Deals</a> and setting out recent regional economic developments.

# Audit work in the pipeline – Q2 23/24 to March 2025



Area of focus	Latest plans
<p>Infrastructure and investment</p>	<p>We will continue to monitor and report on the new operating arrangements for ScotRail services through the Transport Scotland annual audit report. We are currently undertaking scoping work on wider transport developments including ferries and sustainable and active transport. This will be closely linked to our Climate Change work.</p> <p>We are also scoping potential audit work on the strategic capital investment programme. This includes looking at how Infrastructure Investment Plan (IIP) is being delivered in practice, and how the Scottish Government prioritises projects. We are reviewing progress against the recommendations in our January 2020 audit on <a href="#">privately financed infrastructure investment</a> as part of this.</p> <p>We will focus our work on Infrastructure and Investment around the IIP's strategic themes of transition to net zero, and driving inclusive economic growth. We plan to bring proposals to the AGS and Commission in early 2023.</p>
<p>Supporting economic development and growth</p>	<p>We have undertaken research and development to scope short, medium, and longer-term audit proposals on economic development. We are considering audit work on the Scottish Government's new 10-year strategy, Scottish National Investment Bank, and local/regional economic growth initiatives. We will continue to monitor schemes designed to replace EU funding such as the UK Shared Prosperity Fund. We plan to bring proposals to the AGS and Commission on this in early 2023.</p> <p>We are also carrying out work to assess progress against the recommendations in our 2020 <a href="#">City Region and Growth Deals</a> report. The work will focus on key areas from the previous report and will set out recent 11 regional economic developments.</p>

Area of focus	Latest plans
Public finances	<p data-bbox="397 274 1783 383">As the direct financial and funding implications of the pandemic have reduced, we have shifted the focus of our public finances audit work to financial sustainability and budget management, and the Fiscal Framework review and fiscal risk.</p> <p data-bbox="397 429 1843 612">The Resource Spending Review (RSR) and Medium-Term Financial Strategy (MTFS) make clear the extent of the significant fiscal challenge ahead, and the Scottish Government's spending priorities. The challenges relate to both the devolved tax position and spending pressures arising from the expansion of devolved social security measures and existing financial sustainability pressures in areas such as health.</p> <p data-bbox="397 658 1808 841">Following the agreed products in the programme for this year, into 2023-24, we are investigating the reform agenda, which is critical to the Scottish Government's medium to long term position. This will include tracking progress on reform, defining reform, and considering the implications for value for money, pace and scale. Historically, the AGS has highlighted the gap between reform ambition and implementation.</p>

Area of focus	Latest plans
Skills and training	<p>We are monitoring the impact of our performance audit report on <a href="#">Planning for skills</a>. We reported an assessment of initial progress against the recommendations in the 2021/22 annual audits of Skills Development Scotland and the Scottish Funding Council.</p> <p>We discussed priorities for R&amp;D on skills internally in the summer of 2022 and started to develop proposals for an output on green skills and a performance audit on skills. The intention was to build on the foundation laid by our Planning for skills audit and look at the provision side of the skills system. We have paused this work following the Scottish Government's announcement of an independent review of the skills delivery landscape in September 2022, and have removed the green skills output from the 2022/23 work programme. We will review the findings and recommendations of the review (expected spring 2023) and use that to inform our proposals for future audit work, which will feed into quarterly work programme discussions in due course.</p>

Area of focus	Latest plans
Climate change	<p>We recognise the priority placed on climate change by the AGS and Accounts Commission. We are developing proposals for a programme of climate change audit work through to 2025/26. We have identified heat in building and sustainable transport as the two priority areas for performance audits. We will refine our proposals following the strategic review of the work programme in Q3 2022/23 and discuss proposals with the AGS on 23 January and the Accounts Commission's PA Committee on 23 February. This will inform the quarterly work programme refresh in March / April 2023.</p>
Early learning and childcare	<p>The next joint performance audit in this series will look at the impact of the expansion. This is likely to focus on assessing whether the significant investment being made in expanding publicly funded ELC has delivered improved outcomes, is helping to reduce the poverty-related attainment gap and has made a difference in supporting parents and carers to work, train or study. This audit is likely to start in 2024/25.</p>

Area of focus	Latest plans
Health and social care	<p>Following feedback from the AGS and Commission, we have proposed we remove the planned performance audits on social care and health and social care integration from the programme. We will keep an active monitoring brief on these areas and regularly report to the AGS and Commission on the evolving issues within this sector, with a view to proposing future products with a more flexible turnaround time where the AGS and Commission wish to comment publicly.</p> <p>We are monitoring developments in the social care sector on the issues highlighted in the <a href="#">January 2022 joint briefing</a>. We intend to bring regular updates to the AGS and Commission on issues and risks in the sector, for example, on workforce challenges, sector capacity and financial risks. We are also monitoring progress with the development of the National Care Service (NCS) Bill and the Scottish Government's planning and preparations for the new NCS. We will provide regular updates on progress and risks relating to the NCS development to the AGS and Commission as this progresses.</p> <p>We will also consider the interconnections and dependencies across sector-based reform in health and social care and local government, including the impact the development of the NCS has on the shape and size of local government, on NHS services, and on governance and funding arrangements. We plan to continue to produce an IJB financial overview report in spring each year, which builds in analysis from the annual audit reports, until the reforms take place.</p>

Area of focus	Latest plans
Drug and alcohol services	<p>Given the Auditor General and Accounts Commission’s ongoing interest in how drug and alcohol services are being delivered and the impact this has on people and their families needing support, we plan to carry out a joint performance audit in this area during 2023/24. This will include detailed analysis of spending and explore what is being delivered in local areas by Alcohol and Drug Partnerships and other partners such as integration authorities and community planning partnerships. We are also considering looking at links with criminal justice.</p> <p>During Q3 2022/23 we are briefing three parliamentary committees carrying out joint work on drug deaths and drug use problems.</p>
Community justice: Sustainable alternatives to custody	<p>The AGS briefing paper on this topic from July 2021 highlighted that the Scottish Government had not achieved its aim to shift the balance of sentencing from prison to the community. We are continuing to monitor this area and plan to deliver a joint performance audit in 2023/24. This will include the roles and work of other key stakeholders, including local government and the third sector. Our audit work will follow planned joint inspection work on community justice services by other scrutiny bodies as well as our planned work on court backlogs, which have implications for community justice services.</p>

Area of focus	Latest plans
Homelessness	<p>Stakeholders in the housing and homelessness sector are of the view that audit work on homelessness would be of value. We last produced a report on homelessness over 15 years ago and significant policy changes have been made in the intervening period. For example, Housing First and Rapid Re-Housing transition plans as well as the emergency response to Covid-19 being effective in reducing homelessness and rooflessness. Recent reports (Scottish Government's <a href="#">Homelessness in Scotland: 2021/22 bulletin</a>) show homelessness is beginning to increase, although it is still below pre-pandemic levels.</p> <p>We are likely to propose a report on homelessness, potentially examining the pathways through the system for homeless people and families. Our work on the picture of homelessness across Scotland would support priorities around inequalities, human rights, access and affordability. In taking a pathways approach, it would be firmly person-centred. Work being undertaken across the UK by the Centre for Homelessness Impact on the impact and cost of temporary accommodation for homeless families would complement our work by providing a wider narrative of one element of the cost of homelessness. Audit Scotland is involved in this work as a peer reviewer.</p>

Area of focus	Latest plans
Community empowerment	<p>We are working with teams across the clusters to build community empowerment into wider audit work. This will help inform longer-term work and a potential performance audit covering the following areas:</p> <ul style="list-style-type: none"><li>• <b>Capacity and skills</b> - capacity within councils and partner bodies for community empowerment and Community Learning and Development (funding, staff, skills, focus and priority).</li><li>• <b>Governance and accountability</b> - how communities hold public bodies to account, governance for communities responsible for budgets or assets.</li><li>• <b>Improved outcomes</b> - how local outcome improvement plans and locality planning are supporting improved National Performance Framework outcomes.</li><li>• <b>Impact</b> - case study work on what difference the Community Empowerment Act and other activities are having on the ground in communities.</li></ul>
School education	<p>We are continuing to monitor progress against the recommendations in the 2021 joint report on <a href="#">Improving outcomes for young people through school education</a> through ongoing cluster monitoring and stakeholder engagement. We anticipate carrying out further audit work, but not until 2024 at the earliest.</p>



Area of focus	Latest plans
Digital exclusion and connectivity	We are planning to publish a joint performance audit in 2023/24 on how the public sector is addressing digital exclusion and connectivity. We have started scoping this audit. This includes considering how we can engage with service users as part of this audit. We will also continue to look at digital exclusion through other audit work, such as overviews and social care.
Child poverty	We are developing options for a full performance audit on child poverty in 2023/24. Future audit work relating to services for children and young people will also consider links with child poverty.
Children and young people with additional support needs	We are now carrying our research and development work until December 2022 considering options for a full performance audit. We are exploring the potential to look at the learner journey from pre-school to post-school for children and young people who need additional support. This would allow us to look at transition points. Stakeholders have been supportive of this approach. Education Scotland (ES) is planning thematic work on ASN (timescale tbc). We will continue to engage with ES around the potential for any joint work and to ensure that the timescales for any work are of most value.
Care experienced children and young people	We are monitoring how public bodies have responded to the Independent Care Review to improve outcomes and how they are addressing the impact of Covid-19, and we are considering the potential value of carrying out audit work on the response and impact.
Social security	We will continue to monitor the transfer of social security powers to Scotland with a view to considering how this informs other audit areas, such as child poverty and inequalities, and whether we should produce any further outputs in this area.

Area of focus	Latest plans
Local government overview reporting and auditing local services	<p>The 2023 LGO will be the third and final Covid-themed overview. Current thinking is a performance focused report, drawing out the impact on services and service users. Reflecting the impact of the new NCS on the size and shape of local government, and the Commission's desire for more performance and local services reporting, wider discussions about the development of local government overview reporting from 2024 will take place with the Commission at the end of 2022.</p> <p>In the new year we will be engaging with the new Controller of Audit and the Commission about the future of overview reporting, reflecting the focus of the Commission on performance and more specific service focus and ensuring that the package of Local Government reporting (including the AARR, BV thematic and BV CoA reports) provide sufficient coverage and depth, making best use of the overview approach.</p>
National Health Service	<p>With the way health and care services are delivered expected to change, we will continue to adapt our approach to auditing the NHS. We plan to have more impact by carrying out detailed assessments on an annual basis of specific programmes of work. We will agree the priority theme for the NHS in Scotland 2023 report early next year.</p>

Area of focus	Latest plans
Best Value assurance reporting	<p>From 2022/23 BV work in councils will be fully integrated with the annual audit and reported in Annual Audit Reports (AARs), including risk-based, follow up and thematic BV work. AARs for each council will be reviewed by the Commission at least once over the five-year audit appointment to provide the Commission with assurance on BV in each individual council.</p> <p>The Commission will use the Annual Assurance and Risks Report (AARR) to identify thematic work for coverage by all auditors in the following year's audit. The next AARR will draw on the 2021/22 AARs and is due in March 2023. The first AAR under the new audit appointments and BV approach will be available in Q3 2023/24.</p> <p>In Q2 of 2023/24 we plan to deliver a legacy thematic summary of BV best practice examples covering the last six years of BV reporting.</p> <p>Although the Commission has agreed not to proceed with the proposed rollout of BV in IJBs, we will continue to provide robust, independent oversight and public reporting at both national and local level on the current performance of IJBs. This will be through ongoing annual audit work in IJBs and related audit reporting, including potential s102 reporting, until the point at which the NCS becomes operational and IJBs become Community Health and Social Care Boards (CHSCBs).</p>
Policing	<p>The AGS is interested in Best Value work on policing during the next audit appointment round. We intend to allocate resources to research and development work on policing over summer 2023 to inform the potential scope and approach to this work.</p>

Area of focus	Latest plans
Digital transformation	<p>Our research and development activity in this area has concluded that cyber security will continue to be a critical area for government. The governance and accountability arrangements and management structures at a national level are complex and changing. We need to understand and review these to identify any potential gaps in scrutiny and any potential issues. We are considering proposing specific audit work during 2023/24 on cyber security governance and accountability arrangements. Supplementary guidance on cyber security will be issued as part of the Audit guidance for the 2022/23 annual audits.</p> <p>We have also recognised the important implications the Scottish Government’s Artificial Intelligence strategy has for public bodies. We need to better understand how AI is being used across the public sector and its implications. In the future we may also need to use such techniques to audit or be able to audit and interrogate areas where it has been used. We are planning to host a second round table on data in the summer of 2023. The likely focus of this will be on data ethics and governance. This includes exploring the use of AI in the public sector and the related ethical considerations and governance arrangements. This may lead to future audit work on innovation and AI.</p>

# In the pipeline: Q2 23/24 to March 2025

## Summary of agreed products

Product	Type	Author	Quarter
Four nations climate change	TBC	Audit Scotland and other audit agencies	Q2 23/24
Annual fraud and irregularity report 2022/23	Annual report	Audit Scotland	Q2 23/24
Data governance/ethics	Roundtable	Audit Scotland	Q2 23/24
Legacy thematic summary of BV best practice	TBC	Accounts Commission	Q2 23/24
BV Controller of Audit report: Year 1 x 3	BV CoA report	Accounts Commission	Q3 23/24
Digital exclusion and connectivity	Performance audit	Joint – AGS and Commission	Q3 23/24
Local government financial bulletin 2022/23	Briefing	Accounts Commission	Q3 23/24
Administration of Scottish Income Tax 2022/23	Report	AGS	Q4 23/24
BV Controller of Audit report: Year 1 x 2	BV CoA report	Accounts Commission	Q4 23/24
Sustainable alternatives to custody	Performance audit	Joint – AGS and Commission	Q4 23/24
Administration of Scottish Income Tax 2022/23	Annual report	AGS	Q4 23/24
AGS budget briefing	Internal report	AGS	Q4 23/24

# In the pipeline: Q2 23/24 to March 2025

## Summary of agreed products

Product	Type	Author	Quarter
Local government budget briefing	Internal report	Accounts Commission	Q4 23/24
NHS in Scotland 2023: Focus TBC	Overview	AGS	Q4 23/24
Annual Assurance and Risks Report	Internal report	Accounts Commission	Q4 23/24
Integration Joint Boards: Financial analysis 2021/22 (April)	Briefing	Accounts Commission	Q1 24/25
Local government in Scotland Overview 2024	Overview	Accounts Commission	Q1 24/25
BV Controller of Audit report: Year 1 x 2	BV CoA report	Accounts Commission	Q1 24/25
Drug and alcohol services	Performance audit	Joint – AGS and Commission	Q1 24/25
Annual thematic BV report	TBC	Accounts Commission	Q2 24/25
BV Controller of Audit report: Year 1 x 1	BV CoA report	Accounts Commission	Q2 24/25

**MEETING: 8 DECEMBER 2022**

**REPORT BY: POLICY MANAGER, ACCOUNTS COMMISSION**

**SECRETARY'S UPDATE REPORT**

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### **Purpose**

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
  - The Interim Controller of Audit report to the Commission, updating the Commission on his activity.
  - An update on issues relating to local government which is considered by the Commission's Financial Audit and Assurance Committee.
  - A weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

### **Commission business**

#### ***Publications and activities***

3. Audit Scotland collects media coverage on all reports published by the Accounts Commission. [Appendix 1](#) provides download and view statistics for the Commission's published reports and blogs over the last 12 months, as of 31 October 2022. [Appendix 2](#) provides additional information on the overall engagement that reports, and other business received on social media, as of 29 November 2022.
4. November was a relatively quiet month for social media, with the publication of the Chair's [blog](#) on the future of Best Value and the publication of the regular newsletters, to councillors and to other stakeholders. The social media statistics related to the blog were positive with one post about it reaching over 1,300 impressions (the number of people that see the content on social media) and was the strongest post this month. Throughout November, promotion of the appearance of Andrew Burns at the Local Government, Housing and Planning Committee on 8 November and information about the four new Commission members resulted in relatively high levels of engagement.
5. On 4 November the Commission [published](#) details of its four new members as [announced](#) by Ben Macpherson MSP, Minister for Social Security and Local Government. The four new commission members were appointed from 1 November for an initial period of four years and bring a range of experience and knowledge to the Commission. Their profiles were shared on [twitter](#) a few days later.
6. On 8 November Commission member Andrew Burns and Carol Calder, Interim Audit Director, PABV attended the Local Government, Housing and Planning Committee to give [evidence](#) on the National Care Service (Scotland) Bill.
7. On 10 November Bill Moyes, Chair of the Commission published a [blog](#) marking the

new approach to auditing Best Value and highlighting the importance of best value in the current climate. The blog also identifies the need to ensure a focus on improvement, change and delivery of services that improve outcomes for local people.

8. On 23 November commission member Christine Lester attended a Best Value event for Integrated Joint Boards (IJBs) Chairs and Vice Chairs.
9. On 24 November the Commission sent out its regular [Councillor newsletter](#) to 1,349 Councillors and [stakeholder newsletter](#) to the third sector.
10. On 25 November the Chair, Bill Moyes attended a virtual roundtable event with members of SOLACE concerning Best Value. He was accompanied by Adam Bullough and Blyth Deans, PABV and members of the Local Government Overview team.

### **Other Commission business**

11. Members are asked to review the members' communications schedule on the [members' SharePoint site](#). This includes a list of planned publications and activities for the year, along with indicative roles for members in promotion and engagement activities. This document is live and is updated monthly, following discussion with Audit Scotland's communications team.

### **Auditor General**

12. On 17 November the Auditor General [published](#) a briefing on the challenges and risks of Scotland's public finances calling for faster reform of the public sector.
13. On 29 November the Auditor General [published](#) a Section 22 report on the running of Scotland's 2022 census by National Records of Scotland (NRS). The report advises lessons must be learned after a lower than expected return rate saw the census extended by a month which is anticipated to cost NRS an additional £6 million in 2022/23.

### **Audit Scotland**

14. During November the following Insight and keynote sessions and events were held;
  - Martin Walker, Director of Corporate Support chaired an event on how Audit Scotland has been developing hybrid working (7 November)
  - Researchers from the University of Edinburgh presented their research and some initial findings on supporting healthy ageing at work (10 November)
  - Kenny Oliver, Director of Innovation and Quality held a keynote session on meeting the challenges of the audit profession and outlining progress with establishing the new I&Q business group. He shared a reflection piece with his after the session. A copy can be found on the [members' SharePoint site](#).(12 November)
15. On 1 November Audit Scotland published a [blog](#) by Gemma Diamond, Audit Director, PABV on the action needed to for Scotland's public sector to make better use of existing data, improve data quality and to make better use it to deliver better outcomes.
16. On 16 November Antony Clark, Executive Director of PABV and interim Controller of Audit shared a Perspective piece on the internal news site. It considered the delivery of Best Value assurance reporting over the last six years and outlined planned changes to the approach going forward. A copy can be found on the [members' SharePoint site](#).



17. During December the following Insight and Keynote sessions and events are due to take place:
- An opportunity to meet members of the Public Audit Committee in the Edinburgh offices at West Port (05 December).
  - An Insight event, Building cyber resilience, with guest speakers from the Scottish Business Resilience Centre (07 December).
  - A Keynote session from Executive Director of Audit Services, John Cornett looking at our priorities and ambitions in financial audit (08 December).
  - A Keynote session from Executive Director of Public Audit and Best Value, Antony Clark on why public engagement and data can build trust and quality in audit (12 December).

## Issues affecting Scottish local government

### *Scottish Government*

18. During October the Scottish Government [published](#) its report on the Scottish Social Attitudes Survey 2021/22. This includes attitudes to the Scottish Government and local government and political engagement. In terms of local government, key findings included:
- 48% of people in Scotland were more likely to trust the Scottish Government to make fair decisions compared with 31% for local councils and 15% for the UK Government.
  - 58% of people thought the Scottish Government was good at listening to people before it made decisions, compared with 41% for local councils and 18% for the UK Government.
  - 98% of people thought it important to vote in Scottish Parliament elections compared with 95% in local council elections and 92% in UK Government elections.
19. On 2 November the Scottish Government [published](#) details that the First Minister had asked Elena Whitham MSP to join the Scottish Government as Minister for Community Safety. The First Minister said the position “has cross-cutting responsibilities across Scotland’s fire service, our justice system, and the prevention of violence against women and girls.”
20. On 8 November the Scottish Government [published](#) the revised draft National Planning Framework 4. The document sets out the Government’s spatial principles, regional priorities, national developments and national planning policy to 2045. The document identifies regional spatial priorities for five regions across Scotland which will inform the preparation of regional spatial strategies and local development plans by planning authorities.
21. On 21 November the Scottish Government [published](#) its position statement on the implementation of the International Covenant on Economic, Social and Cultural Rights (ICESCR). The statement sets out the action Scotland has taken to embed human rights in all areas of policy with the aim to create a social security system based on dignity, fairness and respect. This includes reference to the work of local authorities in relation to a range of policy areas including; Human trafficking and exploitation, childcare, food insecurity, child poverty, Housing for disabled people, Gypsy Traveller

sites, Homelessness, Mental Health and Education.

### *Health, Social Care and Covid Response*

22. On 8 November the Scottish Government published the 2021 Scottish Health Survey which provides information on the health and factors related to health of adults and children living in Scotland. In addition to a [summary report](#), dashboard summarising key indicators from 2008-2021 and information by local authority and NHS health board areas is available [online](#).
23. On 8 November the Scottish Government and COSLA [published](#) a joint national delivery plan for 2022-23 on 'Care in the Digital Age'. The strategy describes activities to support health boards, health and social care partnerships, local authorities, primary care, social care, social work, and care providers to offer new or improved services through improved systems and infrastructure or access to digital services.
24. On 22 November the Scottish Government [published](#) details of the First Minister's visit to open Harper House in Saltcoats, a new facility for parents with problematic drug or alcohol use. The residential rehabilitation centre is being run by the Phoenix Futures charity which was awarded over £8m in Scottish Government grant funding last year to establish a family rehabilitation service and will accept referrals from across Scotland. The facility can support up to 20 families for placements between three and six months long, resulting in up to 80 families being supported annually. The service is designed to allow parents to access treatment and care for their family while in recovery with the help of the centre's staff who support child development, parenting skills and the overall health and wellbeing of all family members.
25. On 28 November the Scottish Government [published](#) information that the Residential Rehabilitation Rapid Capacity Programme Fund (RRRCP) had been reopened. Organisations who support people with problem drug use are being invited to apply for funding to expand their residential rehabilitation provision.

### *Education and Location Government pay dispute*

26. Throughout November the EIS union published a number of articles regarding the ongoing campaign for fair pay for teachers and teaching staff. This included calling members out on [strike action](#) on Thursday 24 November and on a further two days in the [new year](#) on 10 and 11 January 2023.
27. On 22 November the Scottish Government [published](#) details of a new pay offer made to unions which saw a salary increase of between 6.85% for those on the lowest pay grade to 5% for teachers at the higher main pay scale. COSLA also published an article on the [new pay offer](#) made, describing it as fair, affordable and recognising the cost-of-living-crisis was a priority. Following this new offer, two teaching unions, the [EIS](#) and [Scottish Secondary Teachers' Association](#) (SSTA) both published articles condemning the revised pay offer. The SSTA [published](#) details of planned strike action for 7 and 8 December.

### *Social Security and Communities*

28. On 1 November the Scottish Government [published](#) the Ministerial statement given to Parliament by MSP Neil Gray, Minister with Special Responsibility for Refugees from Ukraine. Neil Gray advised that over 21,000 people had been assisted which was significantly above the original commitment of 3,000 people. He also advised the super sponsor scheme had been reviewed and results and interventions identified to improve the scheme and support were now [reported](#). The review also outlines the next steps for a warm Scottish welcome. The Minister also spoke about the provision of longer-term accommodation and about the provision of a £50 million Ukraine Long Term

Resettlement Fund. Through this fund, £486,000 grant funding has been provided to North Ayrshire Council and Aberdeen City Council was being awarded over £6 million to bring around 500 void properties back into use. Guidance for [local authorities](#) and [hosts](#) on the scheme was also published during November.

29. On 1 November the Scottish Government [published](#) an updated Scottish Social Housing Charter. The revised charter was subject to consultation with social landlords, social housing tenants, homeless people and other stakeholders. It applies to all social landlords and has seven sections, and 16 outcomes and standards that should be achieved.
30. On 14 November the Scottish Government [published](#) details of the expansion of the Scottish Child payment benefit to more than 400,000 children and an increase to £25. The benefit was first launched in February 2021 at £10 per week per child for children under the age of six and has been extended to include eligible children up to age 16. The website for people to apply for the new extended benefit crashed within hours of being set up.
31. On 20 November the Scottish Government [published](#) details that the £6 million Self-Build Loan Fund reopens from 21 November for applications for Self-builders who are unable to access standard bank lending. Applicants can apply for up to £175,000 towards development costs and aims to support the delivery of good quality and energy efficient housing.
32. On 28 November the Scottish Government [published](#) an article about the suspension of the power of local authorities to require homeless applicants to demonstrate a local connection to the area they present as homeless. The legislation comes into effect from 30 November and suspends that power to require someone to demonstrate a local connection. This change should give people more choice in where they would prefer to settle.

### *Economy and business*

33. On 15 November the Scottish Government published its labour market trends for [November](#). This summarises employment and economic inactivity from the Labour Force Survey and other labour market statistics from a range of official sources. Some of the information is broken down into Scottish local authority areas. SPICe has published an overview of the labour market for Scotland in [November](#).
34. On 22 November the Scottish Government [published](#) a wellbeing Economy toolkit that is aimed at helping local authorities identify and measure local wellbeing metrics including health, child poverty, levels of greenhouse gas emissions and fair work, and prioritise investments and policies to improve them

### **Scottish Parliament**

35. During November, the Scottish Parliament Information Centre (SPICe) published:
  - A [blog](#) on Scotland's performance
  - A [briefing](#) on the allocation of social rented housing
  - A [hub](#) for the National Care Service (NCS)
  - A [blog](#) on funding climate change
  - A [blog](#) on the UK Autumn Statement

- A [blog](#) on the 22/23 Emergency Budget Review
- A [blog](#) on the impact of the pandemic on the Scottish labour market
- A [blog](#) on earnings in Scotland 2022
- A [blog](#) on learning from the covid response in supporting migrant and minority populations.

### ***Parliamentary committee news***

36. On 9 November the Scottish Parliament agreed to the following changes to Committee membership;
- the Net Zero, Energy and Transport Committee - Ash Regan be appointed to replace Natalie Don.
  - the Social Justice and Social Security Committee - James Dornan be appointed to replace Elena Whitham.
37. On 24 November members of the Criminal Justice; Health, Social Care and Sport; and Social Justice and Social Security Committees held a joint [evidence session](#) to consider the matter of reducing drug deaths in Scotland and tackling problem drug use.

### ***Public Audit Committee***

38. During November the Committee took evidence on and [considered](#): tackling child poverty, the New vessels for the Clyde and Hebrides and the arrangements to deliver vessels 801 and 802 and its work programme.
39. On 4 November the Auditor General, and, Audit Scotland Executive Director of Performance Audit and Best Value Antony Clark gave [evidence](#) on [the New vessels for the Clyde and Hebrides](#) report.
40. On 10 November the Auditor General attended the [roundtable](#) discussion on tackling child poverty following the publication of the joint [briefing](#) in September.

### ***Local Government, Housing and Planning Committee***

41. During November the Committee took evidence on and [considered](#): the Levelling-up and Regeneration Bill (UK Parliament), Understanding barriers to local elected office, Community Empowerment Act, the Cost of Living (Tenant Protection) (Scotland) Bill, Pre-Budget Scrutiny 2023/24, the National Care Service (Scotland) Bill, National Planning framework 4, the Local Governance Review and subordinate legislation.
42. On 9 November the Committee launched its [inquiry](#) into the impact of Part 2 of the Community Empowerment Act (2015) on community planning and how Community Planning Partnerships (CPPs) can respond to significant events such as the Covid-19 pandemic and the current cost-of-living crisis. The inquiry's call for views is aimed at members of CPPs and operational practice and therefore it is proposed the Commission does not respond. It closes on 30 December 2022.

### ***Finance and Public Administration Committee***

43. During November the Committee took evidence on and [considered](#): the National Care Service (Scotland) Bill - Financial Memorandum, Proposed contingent liability, Scotland's public finances in 2023-24: the impact of the cost of living and public service reform and its work programme.

44. On 1 November Audit Scotland Audit Director Mark Taylor, gave [evidence](#) regarding the financial memorandum to the National Care Service (Scotland) Bill.
45. On 3 November the Committee published a [report](#) on public finances in 2023/24 and the impact of the cost of living and public service reform as part of its pre-budget scrutiny. A [published](#) article quoted the Committee convener, Kenneth Gibson as saying “An open and honest debate with the public about how services and priorities are funded is now needed, including on the role of taxation in funding wider policy benefits for society.”

#### *Other Committee news during October*

- The Covid-19 Recovery Committee took evidence on and [considered](#): the inquiry into the impact of the pandemic on the Scottish labour market and its work programme.
- The Net Zero, Energy and Transport Committee took evidence on and [considered](#): Environmental common frameworks; Environmental Standards Scotland's Strategic Plan; Scottish Water's Annual Reports and Accounts 2021/22; the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland; a modern and sustainable ferry service for Scotland; pre-budget scrutiny 2023-24; public petitions; subordinate legislation and its work programme.
- The Education, Children and Young People Committee took evidence on and [considered](#): National Care Service (Scotland) Bill; Colleges Regionalisation Inquiry; Universities; pre-budget scrutiny 2023-24; UK subordinate legislation; subordinate legislation and its work programme.
- The Social Justice and Social Security Committee took evidence on and [considered](#): Scottish Benefits Independent Advocacy; National Care Service (Scotland) Bill; the Child Poverty and Parental Employment inquiry; Pre-Budget Scrutiny 2023-24; subordinate legislation and its work programme.
- On 29 November, the Economy and Fair Work Committee [published](#) a report following its inquiry into the new realities of retail, the impact on town centres and the policy responses needed to create living and resilient town centres in Scotland. The inquiry concluded Scotland's planning system needs to be strengthened to ensure no new developments unfairly compete with town centre provision. Alongside this, the report's conclusions and recommendations highlight a number of opportunities where local authorities funding, actions and powers can support town centre and act as a catalyst for regeneration.
- During November the Health, Social Care and Sport Committee took evidence on and [considered](#): the National Care Service (Scotland) Bill and subordinate legislation.

#### *Local government news*

46. On 2 November Orkney Islands Council [published](#) details of the appointment of Oliver Reid as the new Chief Executive. He will join the Council from Renfrewshire Council where he has most recently been Head of Communities and Public Protection.

#### **COSLA**

47. On 2 November COSLA [published](#) comments from Councillor Paul Kelly, COSLA's Health and Social Care spokesperson advising that with no new action or investment

being made available to councils ahead of winter and during the cost of living crisis council leaders have expressed real concern at the pressure within the system and the impact on people and communities. He stressed the need for an urgent national plan that is properly resourced and coordinated to be developed with local government and partners across social care.

48. On 3 November COSLA [published](#) its comments on the latest figures on early learning and childcare savings that show a year-on-year increase in the number of children accessing funded early learning and childcare.
49. On 4 November COSLA [published](#) a statement advising that the Chief Executive Sally Loudon, had given notice of her intention to step down from her position in the spring of 2023 after seven years in post.
50. On 8 November COSLA [published](#) an initial response to the new National Planning Framework 4 (NPF4). Environment and Economy spokesperson Councillor Gail Macgregor said that further analysis and scrutiny will be necessary in order to comment on the content of NPF4 due to the detail and complexity of the framework. COSLA welcomes the moves in the framework to achieve the aims of the Just Transition to a Net Zero Economy and place making to improve wellbeing but without resources and flexibility of cost recovery the framework on its own will not achieve these aims.
51. On 21 November COSLA [published](#) an article by Health and Social Care Spokesperson, Councillor Paul Kelly about the independent review [report](#) of adult social care chaired by Derek Feeley. Councillor Kelly considers the response to the review and reflects on progress with the commitments outlined in the [joint statement](#) of intent made by the Scottish Government and COSLA in 2021.

### ***Improvement Service***

52. On 11 November the Improvement Service [published](#) an article about Hanna McCulloch, Local Child Poverty Action reports (LCPARs) national co-ordinator giving evidence to the Parliament's Public Audit Committee as part of its inquiry into tackling child poverty. Evidence from the Improvement Service focused on the importance of taking a strategic preventative approach to tackling child poverty and that recent LCPARs have seen a wider range of policy levers engaged in tackling child poverty, including housing, transport, childcare and employability, but that there are still challenges including barriers to sharing data between organisations.

### ***SOLACE***

53. On 15 November SOLACE [published](#) its statement ahead of the Autumn Statement, warning the Government against real-term cuts to local government funding. SOLACE president Joanne Roney said local government has disproportionately borne the brunt of austerity over the last decade with a real terms reduction to core government funding and advises that the current spending settlement for local government is 'no longer sufficient to meet demand' and that 'there is no meaningful 'fat' to trim from public service budgets.
54. On 22 November SOLACE [published](#) an article on the results of a survey which found that 87% of council chief executives and senior managers believe the Autumn Statement will have a negative or extremely negative impact on their residents. The survey also identified that environmental services (e.g., bin collections, street cleaning, parks); libraries, leisure and tourism; and regeneration were the most likely to be cut.

## **Other scrutiny bodies**

### ***Standards Commission***

55. On 9 November the Standards Commission published three [advice notes](#) for councillors on using social media, the role of a monitoring officer and bullying and harassment.
56. On 14 November the Standards Commission [published](#) an article on freedom of expression considering what it means, why is it important and does it have limits? It reminds Councillors of the code of conduct and the requirement for councillors and members to treat others with respect and refrain from bullying and harassment but that this is not to restrict their ability to express themselves or limit scrutiny and debate.
57. On 15 November the Standards Commission [published](#) details of a recruitment drive for two part-time Members of the Commission. The closing date for applications is 5 December.

### ***Scottish Public Sector Ombudsman (SPSO)***

58. During November, the SPSO [published](#) their monthly newsletter, outlining statistics on complaints, findings and learning points from an investigation report relating to Highland NHS Board. It also includes statistics on Scottish Welfare Fund (SWF) reviews, decisions, contacts made via their support and intervention policy and case studies. Links are also provided to the SPSO's [Annual report for 2021-22](#) which was published during October and to the Independent National Whistleblowing Officer's [e-bulletins](#).

### ***Care Inspectorate***

59. On 8 November the Care Inspectorate published a joint inspection [report](#) of adult services, focusing on the outcomes and experiences of adults with physical disabilities and complex needs in the Fife Health and Social Care Partnership. It found clear strengths in how integrated health and social care services are positively supporting people's health and wellbeing outcomes and that the senior and extended leadership team had developed a strong collaborative culture. Other key strengths included that most people had positive experiences and people and carers said they were listened to and treated with dignity, respect and kindness. Inspectors also identified areas which could further improve. These included the partnership should continue to drive efforts to improve outcomes for people and carers, improve its processes for anticipatory care planning and how it responds, balance responding to local needs and ensuring a consistent response by monitoring performance and evaluate the effectiveness of organisational development.

### ***Scottish Housing Regulator***

60. On 14 November the Scottish Housing Regulator [published](#) an article describing the scale of the challenges facing social landlords as unprecedented and highlighting that most landlords will incur significant new costs at the same time that tenants are under real financial pressure. The Director of Regulation encouraged landlords to continue to have meaningful and effective dialogue with tenants about what is important to them, what they want and can afford to pay.

## **Scottish public policy news**

61. On 3 November the Fraser of Allander Institute (FAI) [published](#) an article following the latest results from the Scottish Business monitor report which had surveyed 450 firms in October across the economy. It showed that 70% of businesses are expecting

growth in the Scottish economy to be weak or very weak over the coming year and that energy bills and staff remuneration are expected to be the biggest cost drivers for the next two quarters.

62. On 7 November Education Scotland [published](#) the Scottish Attainment Challenge Recovery and progress report for 2021-22. The report analyses progress over the last 12 months, outlining how educators and stakeholders are working to improve outcomes for children and young people impacted by poverty. It reports attainment advisors found that the majority of local authorities had improved their;
  - management of the Pupil Equity Fund (PEF)
  - use and analysis of data to inform the poverty-related attainment gap
  - support for Care Experienced Children and Young People
  - provision in Career Long Professional Learning to support the equity agenda
63. On 8 November the Child Poverty Action Group [published](#) The Cost of a Child in 2022 report. The report presents the latest evidence of what families need as a minimum to raise a child, and how this compares to the actual incomes of low-income families. It finds the cost of raising a child to age 18 is nearly £160,000 for a couple and over £200,000 for a lone parent. Cuts to the value of social security between April 2021 and April 2022 have meant families have experienced the biggest deterioration in living standards in the past decade. Childcare is also highlighted as a key driver of increased costs for in-work families.
64. On 15 November the Scottish Council for Voluntary Organisations (SCVO) [published](#) a letter from Chief Executive, Anna Fowlie to the Deputy First Minister John Swinney, following the Emergency Budget Response outlined at Holyrood. The letter expressed disappointment at the lack of recognition of the challenges faced by voluntary organisations, staff, and volunteers and the positive contribution the voluntary sector makes and challenges the Scottish Government to include six commitments concerning funding and data reporting to facilitate the sector.
65. On 11 November Public Finance [published](#) an article about Glasgow City Council reaching an agreement with unions GMB, Unite, Unison and campaign group Action 4 Equality Scotland and is to pay an additional £265 million. The new settlement will cover the 'gap period' from 2018 until an agreed new pay structure and will cover around 18,000 current and former employees. The deal will be paid for through the sale and leaseback of a number of operational properties over 30 years.
66. On 16 November the FAI published a [report](#) on the impact of COVID on household income, which found most households had a slight increase in incomes.
67. On 16 November the Institute for Public Policy Research (IPPR) [published](#) a report which explores the fiscal, distributional and poverty impacts of different options for social security. The report makes the case for additional household support, combined with revenue raising matters and sets out options to reform the social security system that could be considered and their potential impacts.
68. On 16 November the Bank of Scotland [published](#) research that suggests three out of ten homeowners across the UK have already considered changing their living arrangements to help meet rising costs.
69. On 16 November the abrdn Financial Fairness Trust [published](#) a joint report with the Poverty Alliance and Scottish women's Budget Group exploring women's' experiences



of the cost-of-living Crisis in Scotland. The report found evidence that women are suffering increased hardship, destitution and food insecurity due to a lack of support. Fifteen recommendations are made aimed at the UK and Scottish Governments, Local Government, the Department for Work and Pensions, Social Security Scotland and the NHS.

70. On 18 November the BBC [published](#) an article about a pilot project operating in 30 homes run by West of Scotland and Southside housing associations using Smart technology to detect damp conditions in social housing. The scheme involves sensors that monitor temperature, moisture and vapour pressure in homes and will alert social landlords and the Council about 'critical' conditions in a property. The Council's housing convenor councillor Kenny McLean advised they hope to roll-out the technology across the pilot is successful.
71. On 22 November the East Lothian Courier [published](#) an article about an emergency meeting of East Lothian Council where the Executive Director of Finance, Sarah Fortune presented a financial report and advised councillors that the financial risk level to the council was at a 'critical' level and the highest risk ever reported. The report outlined a range of additional measure to try and mitigate the extra funding gap of £5 million, including a recruitment freeze and review of all capital projects.
72. On 23 November the Herald [published](#) an article about a lack of rehabilitation and treatment facilities being linked to the number of Homeless Deaths. It refers to a report by the National Records for Scotland showing 222 people died while experiencing homelessness in 2021. The figures show the numbers have nearly doubled since 2017 when records began, with Midlothian, Glasgow City, and the City of Edinburgh experiencing the highest rates of homeless deaths.
73. During November Aberlour [published](#) a report which revealed 55% of low-income families in Scotland receiving Universal Credit face deductions due to debts to public bodies.

#### **Other UK audit bodies**

74. On 1 November Audit Wales published a [report](#) reviewing poverty in Wales aimed at helping councils make better use of resources to support people in poverty. The report's overall conclusion was that the scale of the challenge and weaknesses in current work make it difficult for Welsh and local government to deliver the systemic change required to tackle and alleviate poverty. In addition to 8 recommendations for the Welsh National and local government in the report, Audit Wales also published a [blog](#) about the report highlighting the need for better data and referencing the accompanying [online data tool](#) with interactive data relating to poverty and its impact.
75. On 11 November the National Audit Office [published](#) a report reviewing the support for vulnerable adolescents in England. Although it does not consider locally delivered services the report concludes that identifying and supporting vulnerable adolescents to reduce the risk of adverse outcomes is complex, but done successfully, can provide potential savings in damage to lives and costs to other public services. It also identifies gaps in the government's understanding of risk factors and adverse outcomes and of an overall strategic approach. It also identified that at a local level more could be done to improve the effectiveness of arrangements aimed at joining up the work of local bodies and that it can be difficult for local bodies to navigate the range of different government programmes.

## UK Government

76. On 31 October the Public Administration and Constitutional Affairs Committee [published](#) their report on the governance arrangements for England. The report found current arrangements were not fit for purpose and are in need of comprehensive reform, advising that the current system has led to geographical inequality with people feeling they cannot influence political or social change. The Committee calls for the UK Government and opposition to set up a Parliament sponsored cross-party commission to decide on a long-term solution.

## UK public policy news

77. On 10 November the BBC [published](#) an article about a group of economists from the centre-left Progressive Economy Forum questioning the UK Government's assertions that a "black hole" in the public finances will need to be filled with austerity measures and tax rises.
78. On 14 November the Resolution Foundation [published](#) its intergenerational audit for the UK in 2022 which analyses economic living standards across generations in Britain. Although the focus is on longer term changes and differences, the 2022 audit included an analysis of how the cost of living crisis has been experienced by different age groups to date.
79. On 16 November the Fraser of Allander Institute (FAI) [published](#) a summary of key findings from a report on understanding the impact of Covid-19 on household income, labour market changes and policy solutions. The report examines trends in the labour market during the pandemic and estimates household incomes at the start of the financial year 2022-23. It further models the effects of any changes in estimated income on income distribution, poverty, and inequality in Scotland, and examines the effects of some tax and benefit policies.
80. On 17 November the Local Government Association (LGA) [published](#) an article responding to the Autumn Statement advising that while the financial outlook for councils was better than feared, it will be residents and businesses who will be asked to pay more. The Chairman of the LGA also said "We have been clear that council tax has never been the solution to meeting the long-term pressures facing services - particularly high-demand services like adult social care, child protection and homelessness prevention." He also identified 'financial turbulence' as damaging to local government and said Councils want to work with central government to develop a long-term strategy to deliver critical local services as well as work to have wider devolution and greater freedom for local leaders from central government.
81. On 22 November Ofgem [published](#) findings from its investigation into how energy suppliers are helping vulnerable customers. It considered information from 17 of the biggest domestic energy suppliers and found energy firms have been failing vulnerable customers. Some of the failings revealed in the report included firms setting debt repayments so high customers could not top-up their pre-payment meters, as well as suppliers failing to read the meters of customers who could not do so themselves.
82. On 25 November the Institute for Government [published](#) a report on public spending in the UK, forecasting that Jeremy Hunt's approach to spending cuts will leave UK public services in a worse condition than before the pandemic by 2025, with performance levels already far lower than in 2010. The report warns of annual spending growth being limited to only 1% from 2025-26 across day-to-day public service spending, with reductions of 0.7% in unprotected areas.

## **Conclusion**

83. The Commission is invited to:

- a) Agree to note but not to respond to the call for views highlighted in paragraph 42.
- b) Note this report and consider any implications for its work programme.

**Martin McLauchlan**  
**Policy Manager**  
**1 December 2022**

## Appendix 1 Commission reports/blogs in past 12 months: Downloads and views

Report / blog	Date	Downloads/ blog views
<a href="#">Best Value Assurance Report: Comhairle nan Eilean Siar</a>	29 Sept 22	330 (+154)
<a href="#">Tackling child poverty briefing</a>	22 Sept 22	1,465 (+640)
<a href="#">Scotland's councils' approach to addressing climate change briefing</a>	8 Sept 22	828 (+240)
<a href="#">Best Value Assurance Report: Shetland Islands Council</a>	25 Aug 22	369 (+44)
<a href="#">Best Value Assurance Report: Angus Council</a>	5 July 22	606 (+59)
<a href="#">Integration Joint Boards: Financial analysis 2020/21</a>	30 June 22	773 (+93)
<a href="#">Accounts Commission annual report 2021/22</a>	29 June 22	279 (*)
<a href="#">Blog: Inequalities in Scotland</a>	23 June 22	642 (+65)
<a href="#">Scotland's financial response to Covid-19</a>	16 June 22	1,801 (+242)
<a href="#">Blog: Local Government in Scotland 2022</a>	1 June 22	723 (+42)
<a href="#">Local government in Scotland Overview 2022</a>	25 May 22	2,442 (+249)
<a href="#">Blog: Children and young people who need additional support for learning</a>	17 May 22	1,052 (+183)
<a href="#">Blog: Working together to increase collaboration and accelerate improvement</a>	16 May 22	259 (*)
<a href="#">The 2020/21 audit of Orkney and Shetland Valuation Joint Board</a>	22 Mar 22	436 (*)
<a href="#">Blog: Councils face complex and urgent challenges</a>	21 Mar 22	889 (+173)
<a href="#">Scotland's economy: Supporting businesses through the Covid-19 pandemic</a>	17 Mar 22	1,229 (+73)
<a href="#">Local government in Scotland: financial overview 2020/21</a>	10 Mar 22	1,783 (+103)
<a href="#">Drug and alcohol services update</a>	8 Mar 22	2,005 (+215)
<a href="#">Best Value Assurance Report progress report: Moray Council</a>	3 Mar 22	653 (+45)
<a href="#">Blog: The value of independence &amp; scrutiny across local gov't</a>	24 Feb 22	467 (*)
<a href="#">Social care briefing</a>	27 Jan 22	4,385 (+292)
<a href="#">Best Value Assurance Report: Falkirk Council</a>	13 Jan 22	1,378 (+88)
<a href="#">Blog: Public performance reporting – why it matters</a>	21 Dec 21	402 (*)

**Note:** Figures are reported as at 31 Oct 2022.

**Key:** (x) Increase in numbers since last month  
 \* This figure is below 30  
 n/a Not applicable

## Appendix 2: Accounts Commission social media engagement data

	Followers	Posting views	Video views	Links accessed	Retweets	Likes	Replies	No. of publications
<b>Nov 22</b>	930	4,508	60	105	18	15	0	3
<b>Oct 22</b>	930 (+12)	8,687	314	90	26	34	3	0
<b>Sep 22</b>	918 (+27)	13,138	1,020	36	64	40	18	3
<b>Aug 22</b>	891 (+1)	6,800	794	71	25	15	4	1
<b>July 22</b>	890 (+7)	18,200	740	124	42	53	2	2
<b>June 22</b>	883 (+30)	20,600	679	245	90	47	10	4
<b>May 22</b>	853 (+12)	17,200	843	140	78	65	8	3
<b>Apr 22</b>	841 (+10)	2,009	0	16	3	2	0	0
<b>Mar 22</b>	831 (+23)	33,100	2,800	118	77	61	12	5
<b>Feb 22</b>	807 (+2)	8,000	1,100	60	34	32	1	1
<b>Jan 22</b>	805 (+13)	12,600	839	103	27	38	6	2
<b>Dec 21</b>	792 (+4)	6,500	108	48	20	25	2	0
<b>Nov 21</b>	788 (+10)	6,600	499	32	29	35	0	1
<b>Oct 21</b>	778 (+13)	22,500	316	93	47	97	6	6

Figures as of 29 November 2022.

Change on previous month shown in brackets.

**MEETING: 8 DECEMBER 2022**

**REPORT BY: CHAIR OF ACCOUNTS COMMISSION**

**CHAIR'S UPDATE REPORT**

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**Purpose**

1. This report provides an update on the engagements and work of the Chair of the Accounts Commission.

**Engagement and Audit Scotland business**

2. The engagements and work in the period of 1 November to 30 November have been as follows:

***Audit Scotland Board and Committee meetings***

- 23 November 2022 – Audit Scotland Board. The main items of substance covered were our Q2 Financial performance report, Q2 Corporate performance report, Corporate Governance Documents, Bullying and harassment policy, update on Public Audit in Scotland and the new Audit Scotland corporate plan, SCPA budget proposal 2023/24, Spring Budget Revision 2022/23, Environment, Sustainability and Biodiversity annual report 2021/22 and the Procuring External Quality Assurance 2022-28 report.
- 9 November 2022 – Audit Committee meeting

***Audit Scotland engagement***

- 3 November – Monthly catch up with Vicki Bibby, Chief Operating Officer.
- 3 November – Monthly catch up with John Cornett, Executive Director of Audit Services.
- 16 November - Monthly catch up with Antony Clark, Interim Controller of Audit and Executive Director of Performance Audit and Best Value.

***External engagement***

- 8 & 30 November – Catch ups with Sean Neill, Director for Local Government and Communities.
- 15 November – Public Audit in Scotland meeting with Business Jigsaw Consultants.
- 16 November – Improvement Service interview with their Executive Team to discuss their strategic framework.
- 17 November – Public Audit Committee business planning meeting with Tim McKay, Interim Deputy Chair.
- 25 November – Society of Local Authority Chief Executives (SOLACE) Meeting.

- 29 November – Introductory meeting with Sue Webber MSP, Education Convener.

3. Commission business has been as follows:

- Regular catch ups with Commission Support Team: Blyth Dean, Audit Manager; Martin McLauchlan, Policy Manager and Jillian Elgin, Executive Assistant.
- 1 November – New member introductory meetings with Ruth MacLeod, Jennifer Henderson and Malcolm Bell.
- 1 November – Strategic Scrutiny Group pre-meeting with Carol Calder, Strategic Scrutiny Group Secretary and Jillian Elgin.
- 2 November – Catch up with Ronnie Hinds.
- 3 November – New member introductory meetings with Nichola Brown.
- 3 November – Local Government Overview (LGO) sponsor meeting with Antony Clark; Carol Calder, Interim Audit Director, PABV; Joanna Mansell; Blyth Deans, Audit Manager, PABV; Adam Bullough, Audit Manager, PABV; Lucy Jones, Senior Auditor, PABV; Lindsay Stother, Audit Officer, PABV; Andrew Dixon, Audit Officer, PABV; Christopher Lewis, Senior Auditor, PABV; Martin Allan, Auditor, PABV and Lisa McNeely, Trainee Auditor, PABV.
- 7 November – Catch up with Helena Gray, new Controller of Audit who will begin her appointment on 9 January 23.
- 10 November – Accounts Commission meeting.
- 15 November – Strategic Scrutiny Group meeting. Update will be shared with members at the December Commission meeting.
- 16 November – Catch up with Tim McKay.
- 16 November – Preparatory Public Audit Committee meeting with Tim McKay and Blyth Dean.
- 17 November – Communications group catch up with Simon Ebbett, Communications Manager; Joanna Mansell, Communications Adviser; Jillian Elgin and Martin McLauchlan.
- 24 November – Preparatory session with Blyth Dean ahead of SOLACE meeting.
- 24 November – Financial Audit and Assurance Committee meeting
- 24 November – Performance Audit Committee meeting
- 29 November – Comhairle nan Eilean Siar Council to discuss best value report with Geraldine Wooley and Christine Lester, Commission members, Martin McLauchlan and Brian Howarth, Audit Director, Audit Services Group.
- 30 November – Adult mental health team catch up with Stephen Boyle; Antony Clark; Christine Lester; Eva Thomas-Tudo, Audit Manager, PABV; Leigh Johnston, Senior Manager, PABV; Natalie Goddard, Senior Auditor, PABV; Claire Tennyson, Auditor, PABV; Joanna Mansell, Communications Adviser; Veronica Cameron, Senior Auditor, PABV; and Aileen Campbell, Auditor, PABV.

4. Other areas of work have included:

- Reviewing internal and external best value blog and news release.
- Recording video and signing off November newsletter to councillors
- Reviewing Local Government Overview Financial Bulletin draft report

#### **Forthcoming activities**

5. My forthcoming engagement activities include:

- 1 December – Forward Planning meeting
- 1 December – Monthly catch up with Vicki Bibby.
- 5 December – Monthly catch up with Stephen Boyle.
- 5 December – Monthly catch up with John Cornett.
- 8 December – Accounts Commission meeting.

#### **Conclusion**

6. The Commission is invited to:

- a) note this report and enquire about any areas of interest
- b) consider whether there are any changes that they would wish to see to the format and content of the report for the future.

**William Moyes**  
**Chair**  
**30 November 2022**



**MEETING: 8 DECEMBER 2022**

**REPORT BY: INTERIM CONTROLLER OF AUDIT**

**INTERIM CONTROLLER OF AUDIT UPDATE REPORT**

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### Purpose

1. This report provides an update on my engagement activity during November and forthcoming engagement activity during December.

### Engagement

2. Please note below my engagements in November:
  - **3 November** – Met Sarah Skerratt, Chief Executive, The Royal Society of Edinburgh, having taken up her new role at the end of September, to discuss mutual areas of interest. Key topics discussed included, economic growth, education, climate change, digital and human rights.
  - **8 November** – Attended Health, Social Care and Sport Committee informal session with Stephen Moore, Leigh Johnston (Senior Manager) and Chris Lewis (Senior Auditor) to discuss our [Integration Joint Boards: Financial analysis 2020/21](#) as part of the committee's pre-scrutiny of the National Care Service Bill. The committee was particularly interested in the sustainability of IJBs, Covid-19 funding, the use of reserves and issues linked to the potential implementation of a National Care Service. This proved to be another useful opportunity to highlight to the Committee the Commission's audit work on IJBs and broader social care-related issues.
  - **11 November** – I spoke at the Society of Local Authority Lawyers and Administrators (SOLAR) Autumn Conference on the subject of 'Good Governance'. The presentation focused on why good governance matters and how it supports the delivery of effective outcomes for citizens. During the presentation I was able to highlight the Commission's interest in good governance and how extensively this issue features across a range of Commission audit work (e.g. Best Value Assurance Reports (BVARs), local government annual audits and S102 reporting).
  - **14 November** – Attended the UK & Ireland Public Audit Forum involving attendees from National Audit Office, Northern Ireland Audit Office, Audit Wales and Office of the Comptroller and Auditor General, Ireland. The meeting focussed on learning from reviews of our work, risk based quality management. It also considered options for audit agencies to participate in each other's compliance reviews against auditing standards.
  - **15 November** – Strategic Scrutiny Group (SSG) meeting. This meeting considered and endorsed the Commission's proposed new approach to reshaping and repositioning the role of the SSG alongside the proposal that the scrutiny operational group continues to act as the vehicle through which the Commission discharges its responsibility for co-ordinating local government scrutiny.

- **23 November** – Attended the Integrated Joint Board (IJB) Chair’s and Vice Chair’s Event with Christine Lester and Leigh Johnston (Senior Manager). The purpose of this session was to provide an update on the Commission’s thinking around Best Value auditing in IJBs and why this has now been substituted for a broad-based programme of national and local audit work on IJB and social care performance in the context of the planned introduction of a National Care Service (NCS). This was a well attended event which prompted a useful discussion on where best the Commission might target its future audit work to both promote improved accountability and support improved outcomes.
- **25 November** – Chairing the launch of the Glasgow Centre for Population Health report on Statistical analysis of educational outcomes among Big Noise Raploch participants in Raploch, Stirling, in my role as Chair of the Evaluation Advisory Board.
- **29 November** – Attending the ‘Developing a Wellbeing Roundtable Methodology’ workshop – a partnership project between Carnegie UK and Northumbria University which seeks to refine a ‘Wellbeing Roundtable’ approach for developing and embedding wellbeing frameworks. I anticipate this event will provide useful insights to inform any future Accounts Commission audit work in relation to councils’ approaches to developing and supporting a well-being economy in their local area.

### **Forthcoming activities**

3. My upcoming engagements in December include:

- **2 December** – Quarterly engagement meeting with Sean Neill, Director, Local Government and Communities, Scottish Government.
- **5 December** – Attending Silo Funding Event. Jointly hosted by The Robertson Trust, the Wellbeing Alliance and International Futures Forum, the event will focus on addressing the continuing challenge of ‘silo funding’ for public services in Scotland and how the government and other agencies might respond to the wider ongoing challenges facing Scotland around reducing poverty, improving education, addressing health inequalities and building a wellbeing economy.
- **7 December** – Quarterly engagement meeting with Sarah Gadsden, Chief Executive, Improvement Service.
- **12 December** – My keynote event ‘Research and impact: Why public engagement and data can improve trust and quality’. This Teams session will be hosted by me and I will be joined by Dr Michaela Livingstone-Banks, Head of Public and Community Engagement with Research at the University of Oxford, and Dr Oliver Escobar, Senior Lecturer in Public Policy at the University of Edinburgh, and Academic Lead on Democratic Innovation at the Edinburgh Futures Institute. The panel will explore my vision for the future of performance auditing, with particular focus on how and why we can involve people who use public services in shaping our audit work, informing judgements, and increasing the impact of our work. The Keynote will also explore the value of better data use alongside public engagement to enhance the robustness of our audit work, support effective scrutiny, and to improve the accessibility and reach of what we do.

**Antony Clark**  
**Interim Controller of Audit**  
**23 November 2022**