

# Agenda

Thursday 9 March 2023, 9.30am  
Audit Scotland offices, 102 West Port,  
Edinburgh, and online via Microsoft Teams  
497<sup>th</sup> meeting of the Accounts Commission

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## 1. Apologies for absence

## 2. Declaration of connections

## 3. Order of business

The Chair seeks approval of business, including proposing taking items 11 to 18 in private for the reasons set out on the agenda.

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## Business requiring decisions in public

### 4. Minutes of meeting of 9 February 2023

Policy Manager

### 5. Minutes of meetings of Commission committees of 23 February 2023

Policy Manager

### 6. Strategy and work programme: Work programme update – March 2023

Executive Director of  
Performance Audit and  
Best Value

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## Business for information in public

### 7. Secretary's update report

Interim Secretary

### 8. Chair's update report

Chair

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

Controller of Audit

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## Any other public business

### 10. Any other public business

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

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## Business requiring decisions in private

### 11. Annual Assurance and Risks Report

Current and outgoing  
Controller of Audit

[Item to be taken in private as it requires the Commission to consider confidential policy matters.]

**12. Integration Joint Boards Financial Analysis 2021/22**

Executive Director of  
Performance Audit and  
Best Value

[Item to be taken in private as it requires the Commission to consider a draft publication which the Commission is to consider in private before publishing.]

**13. Early learning and childcare: Progress on the delivery of the 1,140 hours expansion: draft report**

Executive Director of  
Performance Audit and  
Best Value

[Item to be taken in private as it requires the Commission to consider a draft publication which the Commission is to consider in private before publishing.]

**14. Mainstreaming equality: Progress report 2021-23**

Director of Innovation  
and Transformation

[Item to be taken in private as it requires the Commission to consider a draft publication which the Commission is to consider in private before publishing.]

**15. Covid-19 data output: draft blog**

Executive Director of  
Performance Audit and  
Best Value

[Item to be taken in private as it requires the Commission to consider a draft publication which the Commission is to consider in private before publishing.]

**16. Strategy and work programme: Impact summary report – March 2023**

Executive Director of  
Performance Audit and  
Best Value

[Item to be taken in private as it requires the Commission to consider confidential policy matters and a draft publication which the Commission is to consider in private before publishing.]

**17. Local government in Scotland Overview 2023 – communications and engagement**

Executive Director of  
Performance Audit and  
Best Value

[Item to be taken in private as it requires the Commission to consider confidential policy matters.]

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**Any other private business**

**18. Any other private business**

[Item 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.]

# Minutes of previous meeting

Policy Manager, Accounts Commission

**Item 4**  
Meeting date: 9 March 2023

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## Purpose

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.

## Recommendations

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

## Minutes

3. The minute of the previous meeting is in Appendix 1. A summary of matters arising from the February Commission meeting is attached in Appendix 2.
4. 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.

# Minutes

Thursday 9 February 2023, 9.30am  
Audit Scotland offices, 102 West Port,  
Edinburgh, and online via Microsoft Teams  
496<sup>th</sup> meeting of the Accounts Commission

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## Present:

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

\* Online attendance

## Apologies:

Paul Reilly, Secretary to the Commission

## In attendance:

Blyth Deans, Senior Manager, Performance Audit and Best Value (PABV)  
Helena Gray, Controller of Audit  
Martin McLauchlan, Policy Manager, Accounts Commission  
Martin Allan, Auditor, PABV (item 12)  
Vicki Bibby, Chief Operating Officer (item 15)  
Michelle Borland, Business Manager, PABV (items 13 and 15)  
Adam Bullough, Audit Manager, PABV (item 12)  
Fiona Caffyn, Correspondence Officer, PABV (item 12)  
Carol Calder, Audit Director, PABV (item 12)  
Antony Clark, Executive Director of PABV (items 7, 12 and 13)  
Gemma Diamond, Director of Innovation and Transformation (item 13)  
Fiona Diggle, Audit Manager, PABV (item 7)  
Andrew Dixon, Audit Officer, PABV (item 12)  
Karen Fitzsimons, Business Jigsaw (item 15)  
Carole Grant, Audit Director, Audit Services Group (ASG) (item 6)  
Lucy Jones, Senior Auditor, PABV (item 12)  
Chris Lewis, Senior Auditor, PABV (item 12)  
Lisa McNeely, Trainee Auditor, PABV (item 12)  
Kenny Oliver, Executive Director of Innovation and Quality (item 14)  
Niamh Pritchard, Trainee Auditor, PABV (item 12)  
Richard Robinson, Senior Manager, PABV (item 7)  
David Sim, Benefit Performance Auditor (item 6)  
Joanna Mansell, Communications Adviser (Item 12)

## 1. Apologies for absence

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

## 2. Declaration of connections

Christine Lester declared connections related to Items 6 and 12, neither of which required her to recuse herself from discussions related to those items.

## 3. Order of business

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

- Item 12, as it required the Commission to consider emerging messages from a performance audit report which may require consideration of confidential audit matters in advance of further audit work.
- Items 13 to 15, as they required the Commission to consider confidential policy matters.

The Chair advised that Item 6 on the agenda would be the first item considered, due to staff availability, and that there was no business for item 16.

## 4. Minutes of meeting of 12 January 2023

The Commission considered a report by the Policy Manager presenting the minutes of the meeting of 12 January 2023, 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 Policy Manager (introduced by the Chair) providing an update on the activities of the Audit Scotland Board.

During discussion, the Commission:

- Received an update from the Chair on the progress of the Partnership Working framework and, in response to a query from Malcolm Bell, Audit Scotland's Estates Strategy.

The Commission noted the report.

## 6. Resourcing the benefit service thematic study

The Commission considered a report by the Audit Director and Benefit Performance Auditor, Audit Services Group (ASG) inviting the Commission to consider the draft Housing Benefit thematic study, Resourcing the benefit service.

During discussion, the Commission:

- Considered comments from the Chair on the importance of the report setting out why the speed of processing benefit claims matters, and that this should be reflected in the key messages.
- Noted comments from Andrew Burns as a project sponsor, thanking the audit team for their work and confirming his support for the key messages and recommendations.
- Noted, in response to a query from Malcolm Bell, advice on the number of councils that responded to the online questionnaire as part of the study, and the reasons for the response rate achieved.
- Considered comments from Andrew Cowie on the importance of the early identification of sponsors as part of the next iteration of work in this area.
- Considered comments from Christine Lester on the value of customer feedback as part of work in this area in future reports.
- Advised of some minor drafting amendments and discussed the potential need to consider the presentation and wording of the report's key messages and recommendations, delegating this to the Commission sponsors and audit team.

Following discussion, the Commission:

- Approved the report for publication, subject to the points raised above being addressed.
- Approved that the annual update be published as a blog on the Commission website and agreed that the audit team will work with the Commission sponsors to finalise the content.

**Action: In conjunction with the Commission sponsors, finalise the thematic study and annual update for publication (Audit Director, ASG)**

## 7. Briefing on the 2023/24 Scottish Budget

The Commission considered a report by the Executive Director of PABV presenting the key facts and figures from the 2023/24 Scottish budget and the main messages this includes for local government.

During discussion, the Commission:

- Noted, in response to a query from Jennifer Henderson and points raised by Andrew Cowie, advice on the underlying risk profile of elements of the budget, including the proposed National Care Service, and the overall need for transformational reform.
- Noted, in response to a query from Tim McKay, advice on elements of the budget, and how specific items impact national and local government funding.
- Noted, in response to points raised by Christine Lester, the budget analysis from COSLA and the importance of lessons learned from Health and Social Care integration; and how these may be applied to the development of the National Care Service.
- Noted a series of points raised by Sophie Flemig, Malcolm Bell and Nichola Brown in relation to the importance of joint working and reform; transformational change and how

this is influenced by the interpretation of the discretionary and statutory status of specific services; and human rights based budgeting.

Following discussion, the Commission noted the briefing.

## **8. Secretary's update report**

The Commission considered a report by the Policy Manager 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.

During discussion, the Commission:

- Considered the reporting process, proposed content, and the continued opportunity to shape the content of the revised report itself, to meet their requirements.
- Noted that additional information may be beneficial in relation to specific items, such as consultation responses.

Following discussion, the Commission:

- Agreed to the revised reporting process outlined in the report.
- Noted and agreed not to respond to the consultations highlighted in paragraphs 58, 59 and 60.
- Noted and agreed to a response to the consultation highlighted in paragraph 61 being prepared for their consideration by the Commission Support Team.
- Noted the report.

## **9. Chair's update report**

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

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

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

## **11. Any other public business**

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

## 12. Emerging messages – Local Government Overview 2023

The Commission considered a report by the Executive Director of PABV inviting the Commission to consider emerging messages from the Local Government Overview 2023 audit work.

During discussion, the Commission:

- Agreed the tone, content and coverage of the emerging messages was appropriate.
- Considered comments from the Chair, Sheila Gunn and Malcom Bell related to workforce, including pay differentials; hybrid and homeworking; and the availability and affordability of housing stock.
- Considered comments from Andrew Cowie on the need to consider longer-terms trends and wider public sector reforms.
- Considered comments from Christine Lester on the need to reflect 'pace' within the eventual report recommendations, and from Geraldine Wooley on the need to consider funding and local taxation when formulating the Key Messages and Recommendations.
- Noted, in response to a query from Christine Lester, the advice on how local government is defined within the coverage of the overview report.
- Noted advice on the planned communication strategy from the Communications Adviser, and how the impact of the report can be maximised.

Following discussion, the Commission:

- Agreed that consideration of the report structure, further messages and tone, as work progresses, is undertaken through discussion with the Chair and Interim Deputy Chair, as sponsors.
- Agreed that a draft report be brought to the Commission meeting in April 2023 prior to publication in May 2023.

**Action: Executive Director PABV**

- Agreed that a draft communications strategy be brought to the Commission ahead of, or alongside, the draft report.

**Action: Executive Director PABV**

## 13. Strategy and work programme: Work programme strategic review

The Commission considered a report by the Executive Director of PABV introducing a further draft of the strategic review of the dynamic work programme.

During discussion, the Commission:

- Provided feedback on the presentation of the report and noted, in response to comments from Geraldine Wooley, that further work to clarify how proposed outputs to the Commission's strategy and priorities is ongoing.



- Considered comments from Andrew Cowie on proposed work on infrastructure assets, and the importance of specific projects within this.
- Considered comments from Jennifer Henderson on the impact of outputs related to the timing and currency of proposed work.

Following discussion, the Commission:

- Agreed the revised context for the work programme.
- Agreed the redeveloped public audit response outlined and noted that this content can form part of the Commission's planned stakeholder consultation later this year.
- Noted the audit work planned from April 2023 to March 2025.

#### **14. Audit quality arrangements**

The Commission considered a report by the Executive Director of Innovation and Quality outlining the audit quality arrangements within Audit Scotland and providing a general update on the activities of the Quality function within Innovation and Quality (I&Q).

During discussion, the Commission:

- Welcomed the report and overall focus on quality arrangements as part the work of I&.
- Considered comments by Sophie Flemig on the inherent tensions between quality and innovation, and the opportunities arising from innovation.
- Noted advice, in response to queries from Andrew Cowie and Tim McKay, on how quality targets were set and how Audit Scotland arrangements apply to (and interact with) those of other appointed auditors.
- Considered comments from Nichola Brown on the importance of culture and learning and development in supporting audit quality arrangements.

Following discussion, the Commission:

- Noted the substance of the quality arrangements document.
- Noted the general update on I&Q quality-related activities.

#### **15. Update on Public Audit in Scotland**

The Commission considered a report by the Chief Operating Officer providing an update on progress with refreshing Public Audit in Scotland.

During discussion, the Commission:

- Noted the initial results of stakeholder consultation and engagement activity.
- Agreed that it would be beneficial to consider the results in more detail to inform feedback on the Commission's collective view of proposed vision, mission and outcomes statements.

Following discussion, the Commission:

- Noted progress made on developing draft vision and mission statements, areas for outcomes and the consultation phase of the project.
- Noted plans to develop an impact measurement model in line with the longer-term impact level of the new impact monitoring, evaluation and reporting framework.
- Agreed to hold a joint session of the Commission’s standing committees to provide detailed feedback on the information presented later in February 2023.

**Action: Policy Manager**

## **16. Any other private business**

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

### **Close of meeting**

The meeting closed at 12.15pm.

# Minutes of meetings of Commission committees of 23 February 2023

Policy Manager

**Item 5**  
Meeting date: 9 March 2023

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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 23 February 2023.
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:
  - Appendix 1: Financial Audit and Assurance Committee (FAAC)
  - Appendix 2: Performance Audit Committee (PAC)
  - Appendix 3: Joint meeting of committees.
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 did not make any specific recommendations that would require to be considered by the Commission.

### 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:
  - Approve the attached minutes and consider any matters arising.

- Note that there were no specific recommendations made by either committee.
- Note any other updates provided at today's meeting.

# Minutes

Financial Audit and Assurance  
Committee  
Thursday 23 February 2023, 9.15am  
Online via Microsoft Teams

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## Present:

Tim McKay  
Andrew Cowie  
Geraldine Wooley  
William Moyes

## Other Commission members in attendance:

Christine Lester  
Malcolm Bell  
Ruth MacLeod

## Apologies:

There were no apologies.

## In attendance:

John Boyd, Audit Director, Audit Services Group (ASG) (item 4)  
Blyth Deans, Senior Manager, Performance Audit and Best Value  
Helena Gray, Controller of Audit  
Anne MacDonald, Senior Audit Manager, ASG (item 4)  
Martin McLauchlan, Policy Manager  
Paul O'Brien, Director of Quality and Support, Innovation and Quality (item 6)

### 1. Apologies for absence

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

### 2. Declaration of connections or conflict

No declarations of connection or conflict were made.

### 3. Minutes of meeting of 24 November 2022

The minutes of the meeting of 24 November 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 3, Tim McKay queried the inclusion of issues relating to accounting for infrastructure assets. Antony Clark advised that this is included within agenda item 6 of this meeting.

- In relation to item 5, it was noted there was an absence of an update on the hearing related to East Dunbartonshire Council. Martin Mclauchlan advised information gathering was ongoing. An update will be provided to the Committee, as available, with revisions to the format of the bi-annual Intelligence Report meaning further information will be provided when that item is tabled at the April FAAC.

*Action: Policy Manager*

#### **4. Current audit issues in councils**

The Committee considered a report by the 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 Tim McKay, that the impact of potential delays to signing off accounts should be reported to the Commission as soon as clarity arises.
- Noted that delays are not specific to individual audit providers (ASG or firms) but are often the result of prior year sign offs being delayed. For those delays raised by newly appointed auditors, a range of discrete issues have been raised.
- Agreed, following discussion, that the scheduled Section 102 on Glasgow City Council should be presented to either the FAAC or Commission, dependent on the timing of the work.
- Noted, the IJB clawback and the distribution of this across individual IJBs was calculated on the basis of returns and information provided by each IJB.

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 5 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 Controller of Audit to report in detail on any other matters arising.

#### **5. Risk assessment and implications for the work programme**

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

#### **6. Accounting and auditing developments**

The Committee considered a report by the Director of Quality and Support informing members of accounting and auditing developments.

During discussion, the Committee:

- Agreed to note advice from Paul O'Brien that steps were taken to appropriately identify statutory overrides in relation accounting for infrastructure assets to ensure there was no requirement for widescale qualification.

Following discussion, the Committee noted the report.

## **7. 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 9.55 am.

# Minutes

Performance Audit Committee  
Thursday 23 February 2023, 11.30am  
Online via Microsoft Teams

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## Present:

Christine Lester  
Andrew Burns  
Sheila Gunn

## Other Commission members in attendance:

William Moyes  
Tim McKay  
Malcolm Bell  
Ruth MacLeod

## Apologies:

Apologies were received from Sophie Flemig.

## In attendance:

Antony Clark, Executive Director of Performance Audit and Best Value (PABV)  
Carol Calder, Audit Director, PABV (Item 6)  
Gemma Diamond, Director of Innovation and Transformation (Item 6)  
Blyth Deans, Senior Manager, PABV  
Helena Gray, Controller of Audit  
Zoe McGuire, Audit Manager, PABV (item 6)  
Martin McLauchlan, Policy Manager  
Kirsty Ridd, Audit Manager, PABV (Item 6)  
Dharshi Santhakumaran, Senior Manager, PABV (Item 6)  
Rebecca Seidel, Senior Manager, PABV (item 5)  
Kathrine Sibbald, Senior Manager, PABV (item 6)  
Sally Thompson, Senior Manager, PABV (item 5)  
Catherine Young, Senior Manager, PABV (Item 6)

## 1. Apologies for absence

It was noted that apologies for absence had been received from Sophie Flemig.

## 2. Declaration of connections or conflict

No declarations of connection or conflict were made.

## 3. Minutes of meeting of 24 November 2022

The minutes of the meeting of 24 November 2022 were noted, the Commission having previously approved them as a correct record and agreed the recommendations therein.



#### **4. Risk assessment and implications for the work programme**

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

#### **5. Climate change – potential future audit work**

The Committee considered a report by the Executive Director of PABV gathering members' view on areas of potential future audit work on climate change to inform future discussions on the work programme.

During discussion, the Committee:

- Noted advice from Andrew Burns, in his role as a sponsor of this area, and Antony Clark that pathways to net zero (heat in homes and sustainable transport) should be the prioritised area of focus, noting the difficulties in quantifying aspects of behavioural change.
- Sheila Gunn noted the importance of recognising the progress made on heat in housing and the potential to note significant good practice examples as part of this work.
- Tim McKay raised the importance of behavioural change being considered throughout our work on climate change.
- Agreed, following a query from Sheila Gunn, that there is a need for complete clarity on how we are interpreting 'adaptation' within the context of our work and outputs.

Following discussion, the Committee:

- Noted the report.
- Noted the plan to undertake scoping work on the topics identified as priority areas of interest by the Commission and Auditor General.

#### **6. Workforce and assets – cluster discussion**

The Committee considered a report by the Executive Director of PABV on the role of workforce and assets in managing resources in local government.

During discussion, the Committee:

- Andrew Burns raised the need to consider variation across councils, both in size and capacity, and consideration of collaboration forming an important aspect of this. Carol Calder agreed this point, and how it links to the wider public sector reform agenda. Antony Clark emphasised the importance of intra-UK and international comparisons as part of this.
- Sheila Gunn noted the need to consider the system from 'the bottom up' (i.e. user needs must be the primary consideration).

- Antony Clark raised the possibility of holding a roundtable, or roundtables, as part of ongoing work, bringing together smaller and rural councils and then larger authorities. This was welcomed by the committee.

Following discussion, the Committee:

- Noted the report.
- Asked Antony Clark to give further thought as to how the proposed roundtable(s) sit within the ongoing wider work programme refresh.

*Action: Director of PABV*

## **7. 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 12.30 pm.

# Minutes

Joint meeting of the Financial Audit and Assurance and Performance Audit Committees  
Thursday 23 February 2023, 11.10am  
Online via Microsoft Teams

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## Present:

William Moyes  
Andrew Burns  
Andrew Cowie  
Sheila Gunn  
Christine Lester  
Tim McKay  
Geraldine Wooley

## Other Commission members in attendance:

Malcolm Bell  
Nichola Brown  
Ruth MacLeod

## Apologies:

Sophie Flemig

## In attendance:

Antony Clark, Executive Director of Performance Audit and Best Value (PABV)  
Blyth Deans, Senior Manager, PABV  
Helena Gray, Controller of Audit  
Martin McLauchlan, Policy Manager  
Mark Taylor, Audit Director, PABV

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

The Committees considered a report by the Policy Manager providing an updated assessment on business and audit risk.

During discussion, the Committees:

- Noted and welcomed the increased explanation of the risk assessment.
- Andrew Cowie expressed the view that risk around the wider Commission Support Team should be assessed to take into account wider resourcing issues.
- Christine Lester noted the abeyance of the SSG would suggest a degree of uncertainty in this area that may require the risk assessment to be reassessed.

- Geraldine Wooley raised risks around the progress of the PWF. Noted advice from Blyth Deans, in response, that further information could be provided to members as an interim step.

*Action: Blyth Deans*

Following discussion, the Committees:

- 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 March meeting but noted the dynamic nature of the programme and the opportunity to influence the programme at the annual Strategy Seminar.

## **2. 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 11.25 am.

# Strategy and work programme: Work programme update – March 2023

Executive Director of Performance Audit and Best Value

Item 6  
Meeting date: 9 March 2023

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## Purpose

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

## Recommendations

2. The Commission is invited to:
  - note the progress delivering the work programme from December 2022 to February 2023 (slide 6 of Appendix one)
  - note the planned products up to August 2023 and identify its priorities within these plans (slide 7 of Appendix one)
  - feedback on the audit work in the pipeline to March 2025 (slides 10-20 of Appendix one), noting that this is flexible and can be revisited as part of future work programme updates

## Background

3. 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 seventh quarterly update of the programme and the next update will be in June 2023.

## Considerations

4. Appendix one presents the work programme update. It aims to provide one report that meets the needs of the AGS and Commission, with clarity on who is producing which products and when. It includes:
  - **What we've delivered:** From December 2022 to February 2023.
  - **What's coming up:** Planned audit products from March 2023 to August 2023, and audit work in the pipeline from September 2023 to March 2025.
5. In this update we have not proposed any new products. This is because we are still developing further proposals for new audit products in 2023/24 and 2024/25, including assessing affordability of the overall product mix for 2023/24. We are working closely with the new Controller of Audit on how best to bring together a strategic overview of the Commission's work programme, developing stronger links between the audit products, and the Commission's assessment of audit risks and its strategic priorities. We aim to come

back to the Commission's strategy seminar in May with more developed proposals for 2023/24 and 2024/25.

### **Resourcing the work programme**

- 6.** We continue to improve and refine our data and reporting in this area. Table 1 outlines audit work for 2022/23 within each portfolio and annual budgets by portfolio as at the end of Q3 (December 2022).
- 7.** The Commission can see from Table 1 how resources are deployed across research and development and the range of audit products within the portfolios, including: performance audits, overviews and briefings. In line with the Commission's feedback in December this now includes both AGS and Commission products. The Commission may wish to consider how this product mix delivers on its aims and priorities and whether it feels the balance is correct in terms of the impact it wants to have.
- 8.** We are currently working up portfolio budget information for 2023/24 as well as full proposals for new products to add to the programme in 2023/24 and 2024/25. We are involving the new Controller of Audit in our developing thinking about how best to present budget and resource information to the Commission. We anticipate this being an important agenda for discussion at the Commission's spring strategy seminar.

**Table 1: Planned audit work and budget by portfolio**

Portfolio	Planned audit work in 2022/23	AGS budget (£)	Commission budget (£)	Total budget (£)	Connects to Commission strategy
Climate change, environment and energy	Climate change: Scottish Government delivery arrangements (Performance audit)  Scotland's councils' approach to climate change  Research and development	213,600	118,869	332,469	<b>Aims:</b> Seeking to assure   Helping to improve   Improving performance reporting  <b>Priorities:</b> Communities
Community empowerment	Research and development	6,261	6,261	12,522	To be confirmed if specific audit products agreed
Digital transformation	Digital exclusion (Performance audit)  Update on the Scottish Government's R100 programme (Update report)  Research and development	68,942	68,168	137,110	<b>Aims:</b> Seeking to assure   Helping to improve  <b>Priorities:</b> Inequalities
Economic recovery and development	Scotland's economy: Supporting businesses through the Covid-19 pandemic (Briefing)  City Region & Growth Deals (Impact briefing)  Research and development	143,524	143,524	287,048	<b>Aims:</b> Seeking to assure   Helping to improve  <b>Priorities:</b> Recovery

Portfolio	Planned audit work in 2022/23	AGS budget (£)	Commission budget (£)	Total budget (£)	Connects to Commission strategy
Education and skills	<p>Children and young people who need additional support for learning (Blog)</p> <p>Scotland's Colleges 2022 (Briefing)</p> <p>Early learning and childcare (Performance audit)</p> <p>Planning for skills (Performance audit)</p> <p>Research and development</p>	214,518	171,513	386,031	<p><b>Aims:</b> Seeking to assure   Helping to improve</p> <p><b>Priorities:</b> Inequalities   Communities</p>
Equalities	<p>Tackling child poverty (Briefing)</p> <p>Research and development</p>	71,295	71,295	142,591	<p><b>Aims:</b> Seeking to assure   Helping to improve</p> <p><b>Priorities:</b> Inequalities   Funding   Communities</p>
Health services	<p>Adult mental health (Performance audit)</p> <p>NHS in Scotland 2022: Scottish Government's NHS Recovery Plan (Overview)</p> <p>Research and development</p>	437,374	159,103	596,478	<p><b>Aims:</b> Seeking to assure   Helping to improve</p> <p><b>Priorities:</b> Inequalities   Communities</p>



Portfolio	Planned audit work in 2022/23	AGS budget (£)	Commission budget (£)	Total budget (£)	Connects to Commission strategy
Investment and infrastructure	New ferries for the Clyde and Hebrides (Performance audit) Research and development	129,808	96,405	226,213	To be confirmed if Commission audit products agreed
Justice	Criminal court backlogs (Performance audit) Research and development	336,470	43,009	379,479	To be confirmed if Commission audit products agreed
Local services	Integration Joint Boards: Financial Analysis 2020/21 Financial overview of local government 2020/21 Local government in Scotland Overview 2022 Angus Council BVAR Shetland Islands Council BVAR Comhairle nan Eilean Siar BVAR Local government financial bulletin 2021/22 Best Value support to annual audit teams		751,529	751,529	<b>Aims:</b> Securing public audit   Seeking to assure   Helping to improve   Improving performance reporting  <b>Priorities:</b> Inequalities   Funding   Recovery   Communities

Portfolio	Planned audit work in 2022/23	AGS budget (£)	Commission budget (£)	Total budget (£)	Connects to Commission strategy
	Annual Assurance & Risks Report (AARR)				
	Research and development				
Public finances and constitution	Social security: Progress on implementing the devolved benefits (Performance audit)	287,080	163,595	450,675	<b>Aims:</b> Seeking to assure   Helping to improve
	Local government budget briefing (Internal)				<b>Priorities:</b> Recovery   Funding
	Scotland's financial response to Covid-19 (Performance audit)				
	Scotland's public finances: Challenges and risks (Briefing)				
	Administration of Scottish Income Tax 2021/22				
	AGS budget briefing (Internal report)				
	Covid-19 finances (Update report)				
	Research and development				
Social care	Social care (Briefing)	136,915	136,915	273,830	<b>Aims:</b> Seeking to assure   Helping to improve
	Research and development				

Portfolio	Planned audit work in 2022/23	AGS budget (£)	Commission budget (£)	Total budget (£)	Connects to Commission strategy
					<b>Priorities:</b> Inequalities   Funding   Communities
	<b>Total budget</b>	2,045,787	1,930,187	3,975,975	
	<b>Percentage of total budget</b>	50.9%	48.3%	99.1%	

\*Difference of circa £38k is the budget for Audit Scotland products

# Dynamic work programme – Update

March 2023

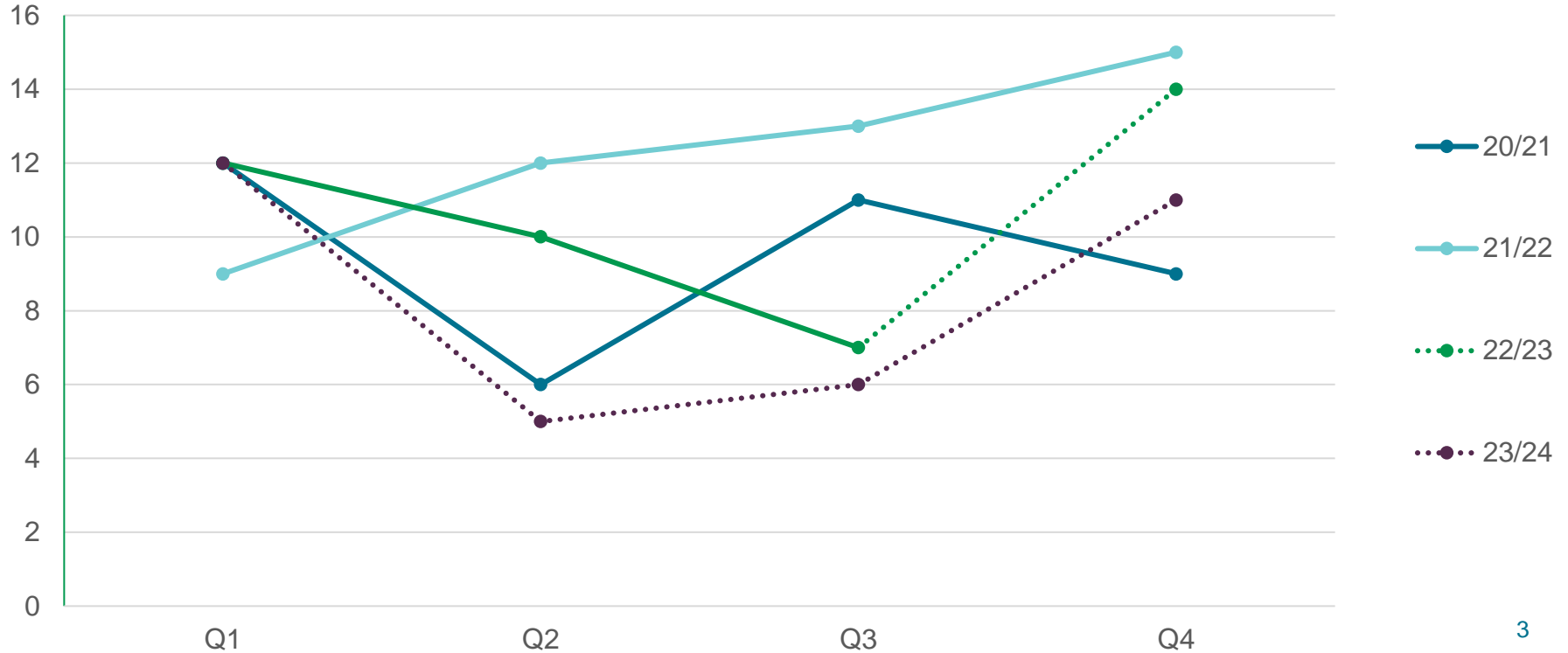
AUDITOR GENERAL 

ACCOUNTS COMMISSION 

- 
- We delivered 11 audit products between December and February and there are a further 21 products planned between March and August.
  - In this work programme update we have not proposed any new products. This is because we are still developing further proposals for new audit products in 2023/24 and 2024/25, including assessing affordability of the overall product mix for 2023/24. We are working closely with the new Controller of Audit on how best to bring together a strategic overview of the Commission's work programme, developing stronger links between the audit products, and the Commission's assessment of audit risks and its strategic priorities. We aim to come back to the Commission's strategy seminar in May with more developed proposals for 2023/24 and 2024/25.
  - In the meantime, slides 10-20 outline how we are continuing to develop the longer-term work programme proposals across the portfolios. It would be helpful to hear feedback from the Commission on its priorities for the audit work in the pipeline.

# 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

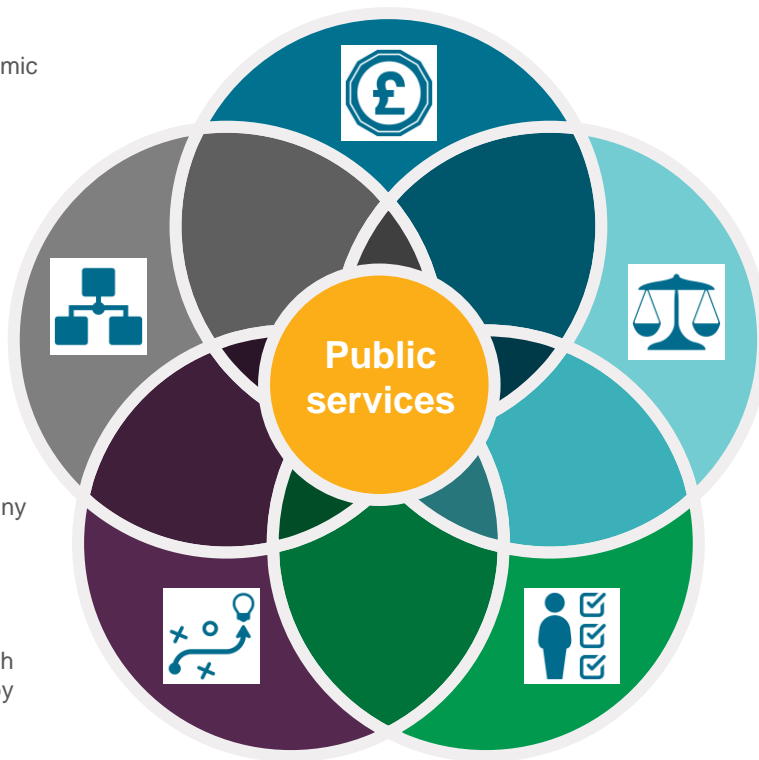
- Collaborative leadership
- Annual audits
- Fraud risks
- Effective scrutiny



## 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: December to February

## Briefings

Local government in Scotland:  
Financial bulletin 2021/22

## Overview reports

NHS in Scotland 2022: Scottish  
Government's NHS Recovery Plan

## Statutory reports

Scottish Government consolidated  
accounts

Crofting Commission

Commissioner for Ethical Standards  
in Public Life

## Other audit products

Auditing climate change: Our strategy

Administration of Scottish Income Tax  
2021/22

Public sector gender pay gap reporting

Local government budget briefing (Internal)

Resourcing the benefit service: A thematic  
study and supporting blog: Assurance and  
scrutiny - reporting on the vital role of  
Scotland's housing benefit services

### 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: March to August\*

Overview reports	Performance audits	Other audit products
Local government in Scotland overview 2023 (May)	Climate change: Scottish Government delivery arrangements (April)	Annual Assurance and Risks Report (Internal) (March)
	Criminal court backlogs (May)	Covid-19 finances follow-up (Web product) (March)
<b>Statutory reports</b>	Early learning and childcare (follow up) (June)	Covid-19 finances follow-up (Blog) (March)
Ferguson Marine Port Glasgow (March)		Education outcomes report (Impact blog) (March)
Scottish Canals (March)	<b>Briefings</b>	Homelessness (Blog) (April)
South Lanarkshire College (April)	Integration Joint Boards: Financial analysis 2021/22 (April)	Social care work programme (Blog) (April)
Glasgow City Council (TBC)		LGO Symposium (Event) (June)
		City Region and Growth Deals (Impact briefing) (June)
		Four nations climate change (June)
		Annual Fraud and Irregularity Report (July)
		Legacy summary of BV best practice (August)

**Key:**

Auditor General for Scotland  
Accounts Commission

Joint – AGS and Commission  
Audit Scotland

\*Months in brackets in tables are indicative publication months

# Audit work in the pipeline – September 2023 to March 2025

# In the pipeline:

## September 2023 to March 2025

### Economic recovery and growth

Area of focus	Latest plans
Infrastructure and investment	<p>We are likely to propose publishing a briefing in the autumn 2023 looking at the challenges facing the Scottish Government's capital programme. This will look at the budgetary and operational pressures facing the delivery of the Infrastructure Investment Plan (IIP) and include what funding mechanisms the government intends to use to deliver its programme. It will provide an opportunity to review progress against the recommendations in our January 2020 audit on <a href="#">privately financed infrastructure investment</a>, including the use of revenue financing schemes. We could also look at the Scottish Government's asset management strategies as part of this work with a view to potential future work on the public sector estate and reform.</p> <p>We are also working with the Transport Scotland audit team to establish areas for wider scope work during the new appointment round.</p> <p>Longer term we are likely to propose working with the climate change team in 2024/25 on a joint performance audit on sustainable transport, with the area of focus being on 20 minute neighbourhoods.</p>
Supporting economic development and growth	<p>We are likely to propose audit work focussed on early analysis of the Scottish Government's National Strategy for Economic Transformation and lessons learned from our 2016 performance audit (Supporting Scotland's economic growth). We anticipate this work will publish during 2023/24.</p> <p>We are also considering a performance audit on the Scottish National Investment Bank in 2024/25, which would cover investment to date and an early assessment of what impact this has made, as well as how it is evaluating and monitoring the impact of its investments.</p>

# In the pipeline: September 2023 to March 2025

## Economic recovery and growth

Area of focus	Latest plans
Public finances	<p>The Resource Spending Review and Medium-Term Financial Strategy 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>During 2023/24 we will investigate 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. We will propose audit products on the sustainability of public finances, including consideration of pace of reform, public sector efficiency and financial management.</p>
Skills and training	<p>We continue to monitor the impact of our performance audit report on <a href="#">Planning for skills</a> and await the findings and recommendations of the independent review of the skills delivery landscape, due in spring 2023. We will use this, and the Scottish Government's response to the review, to inform proposals for future audit work, which is likely to begin during 2024/25.</p>

# In the pipeline: September 2023 to March 2025

Area of focus	Latest plans
Climate change	<p>We recognise the priority placed on climate change by the AGS and Accounts Commission. We are refining proposals for a programme of climate change audit work. Up to 2024/25 we have identified heat in buildings and sustainable transport as two priority areas for reaching Net Zero. Progress in adapting to the impacts of climate change and behaviour change are two other key themes.</p> <p>We are likely to propose briefings on heat in homes for the Accounts Commission and AGS in the second half of 2023 and a roundtable on adaptation in November 2023, which may be followed up with a series of blogs in March 2024. We will continue to refine our proposals based on AGS and Commission feedback. Longer term, we are likely to propose a (possibly joint) performance audit on sustainable transport in 2024/25, potentially focusing on 20 minute neighbourhoods. Behavioural change will be a key theme throughout all of this work. Looking further ahead, we have identified energy, transition to a green economy and procurement as key themes.</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>

# In the pipeline:

## September 2023 to March 2025

Area of focus	Latest plans
Health and social care	<p>We are monitoring developments in the social care sector on the issues highlighted in the <a href="#">January 2022 joint briefing</a> including workforce challenges, sector capacity and financial risks. Following feedback from the Commission at its December meeting we are planning to do a blog in early May, about the social care programme of work. We are also considering proposing a joint briefing later this year that considers the workforce issues in the social care sector, supported by blogs from the AGS and Commission. To maintain flexibility and responsiveness to the changing landscape and issues we will consider the priorities and focus for further work on social care on a rolling basis. 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 are in the process of planning proposals for future work which will be able to deliver a flexible response to issues the AGS and Commission wish to comment on publicly.</p> <p>We are considering 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 bulletin report in spring each year and widen this to include performance from next year, giving the Commission a vehicle to make wider comment about current issues in social care. This work will continue to be supported by independent oversight and public reporting at both national and local level on the current performance of IJBs through ongoing annual audit work in IJBs and related audit reporting (local AARs and national AARR) until such time as a NCS becomes operational and IJBs become Care Boards.</p>

# In the pipeline: September 2023 to March 2025

Area of focus	Latest plans
Homelessness	We are likely to propose a report on homelessness during 2024, 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.
Drug and alcohol services	We plan to carry out a joint performance audit in this area during 2023/24. This will include detailed analysis of spending and will 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.
Community justice: Sustainable alternatives to custody	We continue to monitor this area and plan to deliver a joint performance audit in 2023/24. Our audit work will follow planned joint inspection work on community justice services by other scrutiny bodies as well as our work on court backlogs, which have implications for community justice services.
School education	We are continuing to monitor progress against the recommendations in the <a href="#">Improving outcomes for young people through school education report</a> through ongoing cluster monitoring and stakeholder engagement. We anticipate carrying out further audit work, but not until 2024 at the earliest.



# In the pipeline: September 2023 to March 2025

Area of focus	Latest plans
Digital exclusion	We have started scoping a joint performance audit on how the public sector is addressing digital exclusion with a view to publishing in March 2024. We will take a Human Rights based approach for 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.
Poverty	<p>We are developing options for a full performance audit on child poverty, which is likely to start in 2024/25, allowing us to include data on performance against the 2023/24 interim targets for reducing child poverty. Future audit work relating to services for children and young people will also consider links with child poverty.</p> <p>We will continue to monitor the transfer of social security powers to Scotland with a view to considering how this informs and impacts on other audit areas, such as child poverty and inequalities, and whether we should produce any further outputs in this area.</p>
Children and young people with additional support needs	We are considering options for a full performance audit looking 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. We will engage with stakeholders around the potential for joint work and to ensure the timescales for any work are of most value.

# In the pipeline: September 2023 to March 2025

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. This will be a performance focused report, drawing out the ongoing impact of the pandemic, current financial, service delivery and workforce challenges, and the serious risks to financial and service sustainability these pose. This will include the impact on performance and service users.</p> <p>We are currently engaging with the new Controller of Audit and the Commission about the development of local government overview reporting from 2024. The aim is to ensure that the package of local government reporting (including the financial bulletin, AARR, BV thematic and BV CoA reports) provide sufficient coverage and depth, while supporting the Commission to comment on its areas of interest, including: performance, local services, sustainability, inequalities, sharing good practice and how local government engages with the third sector to deliver local services.</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 in 2023.</p>

# In the pipeline: September 2023 to March 2025

Area of focus	Latest plans
Best Value assurance reporting	Best Value work in councils is now fully integrated with the annual audit and will be reported in Annual Audit Reports, including risk-based, follow up and thematic BV work. The Accounts Commission will use the Annual Assurance and Risks Report to identify thematic work for coverage by all auditors in the following year's audit. The first AAR under the new audit appointments and BV approach will be available in Q3 2023/24.
Policing	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.

# In the pipeline: September 2023 to March 2025

## Summary of agreed products

Product	Type	Author	Quarter
Climate change: Heat in homes	Briefing	AGS	Q2 23/24
Scottish Government's capital programme	Briefing	AGS	Q2 23/24
Adult mental health	Performance audit	Joint – AGS and Commission	Q2 23/24
BV Controller of Audit report: Year 1 x 3	BV CoA report	Accounts Commission	Q3 23/24
Local government financial bulletin 2022/23	Briefing	Accounts Commission	Q3 23/24
Climate change: Adaptation	Round table	Audit Scotland	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
Digital exclusion	Performance audit	Joint – AGS and Commission	Q4 23/24

# In the pipeline: September 2023 to March 2025

## Summary of agreed products

Product	Type	Author	Quarter
Local government budget briefing	Internal report	Accounts Commission	Q4 23/24
Climate change: Adaptation	Blogs x 2	AGS and 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 2022/23	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
Annual fraud and irregularity report 2022/2	Annual report	Audit Scotland	Q2 24/25
National Fraud Initiative in Scotland	Other	Audit Scotland	Q2 24/25

## 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 Controller of Audit report to the Commission, updating the Commission on her activity. The first revised report is being tabled this month and is intended to complement this Secretary's update report.
  - 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, now supplemented with a summary of parliamentary activity from the Commission Support Team.

## Recommendations

3. The Commission is invited to:
  - Note this report and consider any implications for its work programme.
  - Agree to the proposed actions with regard to the Commission responding to the consultations highlighted at the end of this report.

## Commission business and recent publications

4. Monthly updates on the activities of both the Chair and Controller of Audit are standing items on the Commission's agenda.
5. Information relating to recent [publications](#) and [blogs](#) is available online, with future planned publications and activities outlined on the members' communications schedule available 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.
6. On 15 February the Accounts Commission [published](#) Resourcing the benefit service: A thematic study. The report outlines that people are waiting longer for housing benefit claims to be processed as services across Scotland's councils face rising workloads, fewer staff and high sickness absence levels. The report received extensive media coverage which has been shared with members, although follow up coverage was undoubtedly impacted by the subsequent announcement made by the First Minister on the morning of publication.

7. Between publication and the end of February, the report web page was viewed over 200 times, and the report was downloaded 234 times. On social media, over the same period, there were over 1,800 impressions, 97 engagements and 420 video views.

## Issues affecting Scottish local government

### Scottish Government

8. On 02 February Deputy First Minister John Swinney [urged](#) MSPs to back the Scottish Government's Budget for 2023-24. Mr Swinney said that the Budget focused resources on three key priorities, delivering sustainable public services, transforming the economy to deliver a just transition to net zero, and taking direct action to eradicate child poverty. It also includes more than £13 billion for health and social care and £1 billion for early learning and childcare provision along with supporting those hit hardest by the cost-of-living crisis.

9. On 07 February the Scottish Government [published](#) a local government finance circular 2/2023 on accounting for equal pay. A [letter](#) including the circular was sent to Directors of Finance of Scottish local authorities on 03 February.

10. On 22 February the Scottish Government [published](#) the latest local government finance circular 1/2023 containing information about accounting for capital receipts to fund qualifying expenditure on a transformation project.

### Health, Social Care and Covid Response

11. On 17 February the Scottish Government [published](#) details of its pay offer for healthcare staff governed by the Agenda for Change (AfC) agreement. Staff covered by AfC include nurses, midwives, paramedics, allied health professionals, porters and others.

12. On 22 February the Scottish Government [published](#) details of the first Data Strategy for Health and Social Care in Scotland, a shared Scottish Government and COSLA commitment. The main ambition of the strategy is to empower the Scottish people with greater ability to access and have greater control over how they manage their own health and social care data where it is safe, legal and appropriate to do so, and for health and social care staff to have rapid access to the information they need to deliver the best possible care.

### Education and Local Government pay dispute

13. On 14 February the Scottish Government [published](#) details of an improved pay offer for teachers which would see their salaries rise by 11.5% in April. This is made of a 6% raise for those earning up to £80,000 from 1 April 2022 and a further 5.5% for those earning up to £80,000 from 1 April 2023. The Scottish Government is supporting this new offer with additional funding of £156 million which is on top of the £50 million already provided to local authorities.

14. On 16 February the Scottish Government [published](#) details of an additional allocation of £60 million to local government in 2021/22 to further support education recovery.

15. Members will be aware of ongoing strike action across local government, in particular the rolling strikes by teachers. The Commission Support and Communication Teams will ensure that further developments are communicated to members in a timely manner.

### Social Security and Communities

16. On 06 February the Scottish Government [published](#) details about 15 transformational schemes sharing £10 million in 2023-24 from the Vacant and Derelict Land Investment

Programme. The aim of the programme is to transform and redevelop derelict locations that have lain dormant for years and help attract private investment, support low carbon developments, and help Scotland reach net zero by 2045.

**17.** On 16 February the Scottish Government [published](#) details about £27 million funding over the next three years for community projects tackling poverty and disadvantage. Food pantries which help lower food bills and cost of living advice services are among the 100 initiatives developed by local people set to receive grants from the Investing in Communities Fund.

### **Economy and business**

**18.** On 10 February the Scottish Government [published](#) details about new measures to boost hospitality and town centre recovery. Hospitality businesses will be able to place tables and chairs on the pavement outside their premises without submitting a planning application. However, councils will retain powers to prevent and deal with obstructions that make it difficult for people to access pavements safely and effectively.

**19.** On 21 February the Scottish Government [published](#) details about an additional £223 million to be provided to local authorities to support pay awards to staff as part of the 2023-24 Scottish Budget, £100 million for non-teaching staff and £123 million, announced last week, to support a new pay offer for teachers.

### **Scottish Parliament**

**20.** During February, the Scottish Parliament Information Centre (SPICe) [published blogs](#) on: Scotland spending an additional £1 billion on social security, Scotland's performance against the National Performance Framework, Scotland's rent freeze and evictions pause, an update on Long Covid, and Transparency and the Scottish budget.

## **Parliamentary committee news**

### **Public Audit Committee**

**21.** During February the Committee took evidence on and [considered](#): The 2021/22 audit of the Crofting Commission, the new vessels for the Clyde and Hebrides and the arrangements to deliver vessels 801 and 802, The 2021/22 audit of the Scottish Government Consolidated Accounts and Scotland's public finances: Challenges and risks, Administration of Scottish income tax 2021/22, and its work programme.

**22.** On 31 January the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee to welcome their ongoing interest in his work on the financial challenges and risks facing Scotland's public services. He also confirmed that himself and the Accounts Commission are undertaking a strategic review of their dynamic work programme.

**23.** On 09 February the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee to provide further information on his 2021/22 audit of the Crofting Commission.

**24.** On 09 February the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee to provide further information on his Section 22 report on the 2021/22 audit of the Scottish Government Consolidated Accounts.

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

**25.** During February the Committee took evidence on and [considered](#): Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) (Amendment) Order 2023, Community Planning Inquiry: Post-Legislative Scrutiny of the Community Empowerment Act 2015,



Understanding Barriers to Local Elected Office, Review of Local Governance, subordinate legislation, and their work programme.

**26.** On 23 February the Local Government, Housing and Planning Committee [published](#) a report on their consideration of subordinate legislation relating to short-term lets recommending that the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) (Amendment) Order 2023 be approved.

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

**27.** During February the Committee took evidence on and [considered](#): Budget Scrutiny 2023-24, Budget (Scotland) (No. 2) Bill and their work programme.

### **Other Committee news**

**28.** During February the Equalities, Human Rights and Civil Justice Committee took evidence on and [considered](#) an Inquiry into Race Inequality in Scotland and their work programme.

**29.** During February the Economy and Fair Work Committee took evidence on and [considered](#) Just Transition for the Grangemouth area, and Town centres and retail.

**30.** During February the Net Zero, Energy and Transport Committee took evidence on and [considered](#) a modern and sustainable ferry service for Scotland, subordinate legislation and their work programme.

## **Local government news**

### **COSLA**

**31.** On 03 February COSLA [called](#) for an urgent discussion with the Scottish Government seeking urgent further discussions around their expectations for education. There was agreement with council leaders that Scottish Government expectations cannot be met unless additional necessary resources are provided.

**32.** On 07 February COSLA [wrote](#) to the Education, Children and Young People Committee regarding investment in school staff and the implications of the Scottish Budget for 2023-24 for education services.

**33.** On 14 February COSLA [published](#) an article confirming that a new pay offer for Scotland's teachers had been shared with trade unions following a meeting of council leaders.

**34.** On 20 February COSLA [published](#) a set of good practice principles for the management of School Meal debt whilst retaining a level of flexibility to enable local authorities to design and implement approaches which align with the unique needs and circumstances of their communities.

### **Improvement Service**

**35.** On 15 February the Improvement Service [published](#) an article about the Wellbeing Economy and how it can help support changing priorities within Local Government and the public sector. The article confirms that many local authorities are becoming more engaged in a wellbeing economy approach using tools such as Community Wealth Building. They also confirm that local authorities should look across their services and join these up to have a greater impact, particularly in targeting economic opportunities towards those who are living in socio-economic disadvantage.

## SOLACE

**36.** On 02 February SOLACE [published](#) its response to the Children's Social Care Implementation Strategy with Ade Adetosoye, Solace spokesperson for Children & Families, saying: "It's positive to see progress on some of their respective recommendations. Prioritising more help and support for families is something Solace has called for, albeit on a wider scale than what is currently on offer, and the piloting approach announced should further strengthen the evidence base for such an approach more broadly." However, she also confirmed that local authorities are struggling to manage the needs of children in care and child protection and that the funding sitting behind the announcement represents less than 10% of what was required in order to implement the reviews recommendations in full.

## Scottish Public Sector Ombudsman and Standards Commission

**37.** We continue to develop our approach to reporting relevant information from both the SPSO and Standards Commission to the Commission. This will form part of the revised bi-annual Intelligence Report that is reported to the Commission's Financial Audit and Assurance Committee, which will include specific information previously requested by the Committee which is not publicly available. Recent and upcoming hearings where decisions were reached, and the results of these, are available [here](#), with hearings resulting in no action or further work outlined [here](#).

## Other scrutiny bodies

### Audit Scotland

**38.** Audit Scotland has appointed an external consultant to help develop a strategy and principles for how we engage with people who use public services in our audit work. The project will set out suggestions for the approach to service user engagement in the short and medium term, as well as ideas for longer-term ambitions and development. The strategy will initially focus on performance audit work carried out on behalf of both the Auditor General for Scotland and the Commission.

**39.** The consultant will be reviewing documents and having meetings with Audit Scotland staff and with external bodies involved in service user engagement over the next few weeks. The project will complete in early June. Audit Scotland will then share the findings with Commission and seek views on the way forward.

### Care Inspectorate

**40.** On 14 February the Care Inspectorate published a joint inspection [report](#) of adult support and protection measures in the City of Edinburgh, which has found some strengths in ensuring adults at risk of harm are safe, protected and supported. However, inspectors also identified substantial areas for improvement and have requested the partnership prepare an improvement plan that considers the findings of the joint inspection and that areas for improvement are progressed without delay.

### Scottish Housing Regulator

**41.** On 03 February the Scottish Housing Regulator [published](#) advisory guidance which aims to support social landlords to review and develop their approach to integrated asset management so that assets – tenants' homes – are sustainable and remain fit for purpose in the short, medium and long term.

**42.** On 09 February the Scottish Housing Regulator [published](#) a report highlighting that some councils are finding it increasingly difficult to fully meet their statutory duties on homelessness, particularly providing temporary accommodation to people experiencing homelessness.

### Other UK audit bodies

**43.** On 01 February the National Audit Office [published](#) a report examining whether the Department for Education is achieving its objective to help pupils recover lost learning by effectively supporting education recovery in schools following the COVID-19 pandemic. The report suggests that while the Department for Education's interventions were informed by available evidence as to what would be most likely to work and that pupils' learning loss is generally reducing, disadvantaged pupils remain further behind the expected level of achievement than other pupils.

### UK Government

**44.** On 03 February the UK Government [announced](#) that 28 local authorities across England will receive a share of £53 million to help people in drug and alcohol treatment. The funding will allow for local authorities to create new housing support schemes tailored to meet local need.

**45.** On 08 February the UK Government [announced](#) a £5 million Local Industrial Decarbonisation Plans competition to launch this summer. The competition will support groups of industrial businesses such as glass, cement and ceramics manufacturers, to join together in clusters. Along with other key stakeholders including local authorities and Local Enterprise Partnerships (LEPs), these 'local industrial clusters' will develop coordinated and collaborative decarbonisation plans to kickstart their low-carbon journey.

**46.** On 14 February the UK Government [announced](#) £6.5 million in funding for 18 projects aimed at boosting the space sector across the UK. This includes support for high impact, locally led schemes and space cluster development managers to help the space sector grow across England, Wales, Scotland and Northern Ireland. The projects will harness space-enabled technology to address local priorities, such as using Earth Observation data to improve local public services and help innovative engineering companies access the UK's growing space markets.

**47.** On 27 February the UK Government [launched](#) an online portal for 900,000 households without a direct relationship to an electricity supplier, such as those living in park homes and care homes, to apply for a £400 one-off, non-repayable lump sum payment towards their energy bills.

### Scottish public policy news

**48.** On 15 February Nicola Sturgeon [announced](#) her intention to resign as First Minister of Scotland.

**49.** On 02 February Culture Minister Neil Gray [announced](#) that the Scottish Library and Information Council (SLIC) has selected eight initiatives to receive grants from the Fund, supporting sustainable development and innovation within Scotland's public libraries.

**50.** On 09 February several unions, think tanks and charities – along with the SNP's own trade union group executive – [wrote](#) to Nicola Sturgeon to ask for the National Care Service Bill to be

paused. In their letter, the groups called for “significantly more time” to be devoted to the Bill, warning that a failure to do so could create a “schism” with wider civic society in Scotland.

**51.** On 10 February Ayr Financial Fairness Trust [published](#) new analysis that found one in five households (21%) in Scotland are currently living in serious financial difficulty, 4% higher than the UK-wide figure.

**52.** On 22 February the Scottish Government [announced](#) the new annual Winter Heating Payment begins with 400,000 due to receive a £50 payment. Unlike the DWP benefit it replaces, Winter Heating Payment is not paid only to people when there is a sustained period of cold weather in a specific location but is a reliable annual £50 payment.

## UK public policy news

**53.** On 15 February the London Borough of Croydon has been forced to [request](#) additional government support, including the write-off of more than £500m of debt due to its “completely unsustainable” financial position. Croydon has already been given permission to increase council tax by up to 15% in 2023-24, raising up to £22m of additional funding.

**54.** On 21 February a cross-party group of the lowest funded councils in England have [called](#) for “fundamental change” to the way local government is financed – or they risk having to make cuts across all services. These councils argued that funding formulae, which mean authorities with lower council tax income receive more grant funding, entrenches existing inequalities.

## Consultations

**55.** On 31 January, the Scottish Government opened a [consultation](#) on Community Wealth Building, part of their Programme for Government 2022-23. Community Wealth Building is a key tool to help achieve an economy focused on delivering wellbeing for everyone. It seeks to do this by growing local wealth and making sure it stays in communities. Options under the consultation have the potential to impact the legislative duties of both councils and Community Planning Partnerships. The consultation closes on 25 April.

**56.** On 17 February, the Scottish Government opened a [consultation](#) on ending the sale of peat in Scotland. Peatlands have a critical role to play in responding to the twin crises of the global climate emergency and loss of biodiversity because in good condition, peatlands are a significant natural carbon store. They hold around 1.8 billion tonnes of carbon, equivalent to around 145 years' worth of Scotland's total net carbon emissions. Peatlands also support important ecosystems and biodiversity, improve water quality and reduce flood risk. However, when degraded or in poor condition, these benefits are lost, and peatlands become a net source of carbon emissions.

**57.** The Commission Support Team recommend that the Commission:

- considers the merits of formally responding to the consultation on Community Wealth Building
- notes the consultation on the sale of peat in Scotland but does not formally respond.

## 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 February to 28 February have been as follows:

### Audit Scotland Board and Committee meetings

- 8 February – Extraordinary meeting of the Audit Scotland Board.

### Audit Scotland engagement

- 6, 20 and 27 February – Catch ups with Vicki Bibby, Chief Operating Officer.
- 15 February – Catch up with John Cornett, Executive Director of Audit Services, and Helena Gray, Controller of Audit.
- 21 February – Monthly catch up with Stephen Boyle, Auditor General for Scotland.

### External engagement

- 20 February – Meeting with COSLA representatives Shona Morrison President, Steven Heddle Vice-President, Sally Loudon Chief Executive and Sarah Watters, Director alongside Andrew Burns, Accounts Commission member; Helena Gray and Tim McKay, Interim Deputy Chair.

3. Commission business has been as follows:

- Regular catch ups with Commission Support Team: Helena Gray; Blyth Deans, Senior Manager, PABV; Martin McLauchlan, Policy Manager; Jillian Elgin, Executive Assistant; and Joanna Mansell, Communications Adviser.
- 1, 16, 22 and 23 February – Catch ups with Helena Gray.
- 8 February – Development discussions with Tim McKay and Christine Lester, Accounts Commission members.
- 9 February – Catch up with Sophie Flemig, Accounts Commission member.
- 9 February – Accounts Commission meeting.
- 9 February – Media preparation for the housing benefit report with Joanna Mansell and Elizabeth Sargeant, Social Media Manager.

- 13 February – Media preparation for the housing benefit report with Joanna Mansell, Elizabeth Sargeant and David Sim, Benefit Performance Auditor.
- 16 February – Preparatory meeting for session with COSLA with Andrew Burns, Blyth Deans, Helena Gray, Tim McKay and Martin McLauchlan.
- 16 February – Development discussion with Geraldine Wooley, Accounts Commission member.
- 22 February – Discussion on replacement EU funding with Blyth Deans; Gemma Diamond, Director of Innovation and Transformation; Helena Gray; Mark Taylor, Audit Director, Performance Audit and Best Value; and Catherine Young, Senior Manager, Performance Audit and Best Value.
- 23 February – Financial Audit and Assurance Committee and Performance Audit Committee meetings.

**4.** Other areas of work have included:

- Preparing for appraisal with Sean Neill, Director for Local Government and Communities.
- Reviewing the forthcoming blog on Education outcomes.
- Preparing for development sessions with Commission members.
- Media preparation for the Housing benefit publication.
- Reviewing the content of the Commission newsletter.

## **Forthcoming activities**

**5.** My forthcoming engagement activities include:

- Preparing for the Audit Scotland staff conference.
- 1 and 8 March – Catch ups with Helena Gray.
- 6 March – Emerging messages discussion on the Adult Mental Health audit.
- 7 March – Audit Scotland Audit Committee and Remuneration and Human Resources Committee meetings.
- 8 March – Development discussion with Andy Cowie, Accounts Commission member.
- 9 March – Accounts Commission meeting.

## **Strategic Scrutiny Group update**

**6.** Recent business of the Strategic Scrutiny Group includes:

- Meetings took place on 16 January and 16 February with volunteers from the Strategic Scrutiny Group (Care Inspectorate, Education Scotland, HMICS, HMIPS) to develop the

terms of reference for the re-positioned strategic scrutiny group and the operational scrutiny group. This was a collaborative approach to developing the roles, responsibilities, purpose, governance and accountability arrangements as well as capturing the interrelationship between the two groups. The terms of reference for both will be discussed and agreed at the next SSG meeting in April.

## Conclusion

7. The Commission is invited to:

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



## Purpose

1. The purpose of this report is to provide an update to the Commission on my significant recent activities, including internal and external engagements.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
  - The Secretary's update report to the Commission, updating the Commission on the public policy landscape. We have recently revised that report and my monthly update is intended to complement the Secretary's update report.
  - An update on issues relating to local government prepared by me which is considered by the Commission's Financial Audit and Assurance Committee.
3. Since our last meeting I have continued to focus on the three key themes I outlined in February: building relationships; ways of working; and strengthening my understanding of the wider landscape and the work programme.

## Recommendations

4. The Commission is invited to:
  - Note this report and consider any implications for its work programme.

## External engagements

5. Significant external engagements this month include:
  - I joined the Chair, Vice-Chair and Andrew Burns at their meeting with the COSLA Presidential team where we had a good discussion on strategic priorities, including climate change (20 February)
  - I also met with all appointed auditors for Local Government where we discussed the work underway to scope annual audits and build relationships at the commencement of their new audit appointments. We discussed the challenges of the audit timetable this year and I hope to bring this to a future discussion of the Commission once audit plans have been completed (22 February).

## Internal engagements and developments

6. I have continued my programme of introductory meetings, meeting Commissioners and Audit Scotland staff and I have now also reached out to all council Chief Executives and Directors of Finance to begin scheduling introductory meetings.



7. I presented the current issues report to the Finance and Audit Committee for the first time this month and look forward to jointly presenting the Annual Assurance and Risk Report at this meeting with the outgoing Interim Controller of Audit as part of our continued transition and handover.
8. I continue to invest time in strengthening my understanding of how Audit Scotland works as an organisation to support the Commission. I've been working with the Commission Support Team to strengthen our support arrangements to the Commission, ensuring a clear understanding of roles and responsibilities and ways of working. One of the early areas that the Interim Secretary and I will want to reflect on is the regular reporting the Commission receives across its key interests at both full Commission meetings and at committees; we will be seeking Commissioners views on this in due course.

## Strategic issues

9. My statutory role includes developing aspects of the wider audit framework. Work on the next iteration of Best Value reporting is due to be considered at the next meeting of the Best Value Working Group (29 March) and I hope to be able to update the Commission on how this is developing in due course.
10. I intend to regularly update the Commission on strategic issues across the local government sector. My recent current issues in councils report to the Financial Audit and Assurance Committee provided an update of issues facing Scottish councils but members may wish to note the following items which have formed part of my wider intelligence monitoring of developments across the UK local government sector:
  - On 02 February the UK Government [confirmed](#) they had chosen CIPFA, along with Grant Thornton and the Good Governance Institute to carry out “targeted external assurance reviews”, aiming to present a comprehensive picture of the challenges, risks and issues local authorities are facing. This includes the impact of rising inflation, economic uncertainty, increased service demand and the continuing effects of Covid-19. The evidence gathered will inform any further actions the Department for Levelling Up, Housing and Communities believes are necessary.
  - On 10 February Bournemouth, Christchurch and Poole Council’s external auditors, Grant Thornton, [published](#) a letter setting out their concerns around the position currently being articulated by the Leader of the Council, Drew Mellor, who resigned three days later. In the letter they warned the authority that they could be hit by a statutory recommendation or public interest report, if it failed to follow a “more traditional” budget setting approach.