

Introduction

1. This paper sets out proposals for refreshing the Auditor General for Scotland (AGS) and Accounts Commission five-year rolling work programme (2020/21 – 2024/25). The paper has been prepared specifically for the Commission and covers both Commission-only audit and programme development work (e.g. performance audits, Best Value auditing in Councils and IJBs, Local Government Overviews, briefing papers and How Councils Work reports) and joint AGS/Commission performance audit work.
2. A separate complementary report has been prepared for the Auditor General covering AGS-only work (e.g. NHS and central government performance audits, NHS and colleges overviews, New Financial Powers audit work, and S22 reports) and joint AGS/Commission performance audit work. That report will be discussed with the Auditor General on the 9 March 2020.
3. The proposals have been developed to respond to: the changing nature of public service risks; the Commission's and the AGS' [strategic priorities](#); consultation and wider stakeholder engagement [feedback](#); and the outcomes of the Commission's recent engagement with the [Interim Chief Executive of the Improvement Service \(IS\)](#).
4. The paper is in eight parts:
 - Part 1 - Strategic context and Accounts Commission priorities
 - Part 2 - Consultation feedback
 - Part 3 - Work programme refresh proposals (2020/21 – 2024/25)
 - Part 4 - Best Value auditing in councils and IJBs
 - Part 5 - Local government services and overview reporting
 - Part 6 - Improvement support and best practice (including future How Councils Work reports)
 - Part 7 - Adding value through insights on key issues and risks
 - Part 8 - Resources
5. In addition to asking the Commission to approve the refreshed work programme, the paper also asks the Commission to identify priority themes and topics for Audit Scotland to consider when targeting future local government-related programme development and audit work. This includes themes for future Local Government overview reporting, How Councils Work, 'other outputs' such as briefings, or dedicated performance audits. The proposals seek to provide some clarity for the Commission and stakeholders around the programme, while ensuring that we are agile and flexible in response to emerging issues and the use of the Commission's powers.

Part 1: Strategic context and Accounts Commission priorities

The context and scope of the work programme

6. The work programme is designed to reflect the Commission's assessment of local government risks and covers all aspects of the Commission's work. This includes annual audits and Best Value audits, overview reports, performance audits (including housing benefit work), and How Councils Work reports (Exhibit 1):

Exhibit 1: Local Government risks and audit responses



Source: Accounts Commission, November 2019

7. This year's work programme refresh is taking place in the context of an increasingly uncertain environment for public services in Scotland as a consequence of the impact of the UK's departure from the EU, the COSLA and Scottish Government Local Governance Review, and the impact of a potential further referendum on Scottish Independence. These developments are likely to significantly impact councils, IJBs and their partners in ways that are difficult to predict. 2020 will also see a change of Auditor General, with Caroline Gardner's successor taking up their 8-year appointment on 1 July 2020.
8. Flexibility therefore needs to be built into the work programme to enable it to adapt and respond to changes in the public sector operating environment and the evolving priorities of the Commission and new AGS.
9. Audit Scotland supports the Commission in responding in a flexible and proportionate way to the constantly changing environment in which councils and their partners are operating. This dynamic approach is underpinned by our monitoring of public sector audit risks and extensive external engagement and programme development activity. An important part of this work is considering key cross-cutting issues on behalf of the AGS and the Commission (e.g. digital, workforce, leadership, inclusive growth).
10. Our response to new or emerging risks may not necessarily be formal audit work but, depending on the nature of the issue, might include programme development activity, round table discussions with stakeholders, blogs or briefing papers.

Accounts Commission strategic priorities

Strategic development priorities: 2020/21 – 2022/23

11. In [August 2019](#) Audit Scotland agreed with the Commission that there would be four key development priorities which we would focus our effort on over the next two years (i.e. the final two years of the current local government audit appointments). These are:
 - **New Code of Audit Practice:** developing the new Code of Audit Practice which will apply to new five-year audit appointments, ensuring that the Code reflects the Commission's desire to have Best Value at the core of the wider audit scope.
 - **Best Value in councils:** developing a new approach to auditing Best Value in councils, building on the integrated audit approach introduced in 2016, and reflecting the new Best Value statutory guidance.

- **Best Value in IJBs:** developing audit arrangements that will offer assurance to the Commission on the extent to which IJBs are meeting their duty to secure Best Value.
- **Local Government Overview reporting:** further developing overview reporting as a central strand of the Commission's commentary on the performance of Scotland's councils and the strategic challenges facing the local government sector.

Accounts Commission strategic audit priorities (SAPs) and wider local government risks

- At its strategy seminar in March 2019, the Commission agreed to continue to apply its current Strategic Audit Priorities (amended to incorporate options appraisal reflecting innovation and joint working) for the remaining two years of the current audit appointments for Best Value audit work in local government. In March 2020, the Commission also agreed to use Exhibit 1 of the most recent AAAR from the Controller of Audit to inform any future articulation of its SAPs (e.g. in the Commission's annual report). These SAPs will continue to be used to inform local government Best Value audit work, overview reporting and AAAR reporting to the Commission from the Controller of Audit during 2020/21 and 2021/22.
- At its mid-year strategy seminar in September 2019, the Commission considered its approach to responding to the local government risk environment and highlighted several topics and themes that it wished to see reflected in the Commission's work programme. Our proposed response to these issues is set out below:
 - **Collaborative leadership:** programme development work on public sector collaborative leadership is taking place during 2020. This will involve reviewing current academic research alongside findings from relevant national and local audit work. It will also include stakeholder engagement with groups such as the Scottish Leaders Forum (SLF) and the third sector. This activity will inform our audit response to this increasingly important public sector audit risk.
 - **Community empowerment:** Audit Scotland is continuing to engage with scrutiny partners on this topic through the Strategic Scrutiny Group (SSG), the Community Empowerment Advisory Group and wider stakeholders. We are also working closely with the Deputy Chair of the Commission who has been taking a lead on this topic on behalf of the Commission. Based on this work, we are proposing a new performance audit in 2022/23 on implementation of community empowerment approaches in local government and will bring an options paper for consideration by the Commission in May or June.
 - **Climate change:** We are proposing to give greater prominence to this important topic in the work programme by preparing a briefing paper on the climate change emergency in 2020/21 or early 2021/22. This briefing paper will set out how public bodies are responding to the climate change emergency. It will also be used to inform the scope and timing of our proposed audit on progress against the Scottish Government Climate Change Plan and will inform our thinking on how these issues should be addressed through the annual audit. We will also ensure that the 2020/21 *Waste Management* audit addresses issues relevant to sustainability and climate change.
 - **Equalities and socio-economic disadvantage:** We will continue to incorporate this as a key theme in relevant performance audits (e.g. *Fair access to higher education*, *Community empowerment*, *Educational outcomes*, *Public health*, *Progress in addressing child poverty*); local government Best Value audits; and the Performance and Challenges local government overview. The PIE cluster is also undertaking monitoring and programme development work on inclusive economic growth.
 - **Outcomes:** Ongoing programme development is taking place to further develop our approach to auditing outcomes in the context of the refreshed National Performance Framework (NPF) and the United Nations Sustainable Development Goals.

- **Services for older people:** This issue will be addressed in our proposed audit on *Social care sustainability*, future work on IJBs and the proposed performance audits on *Housing for an older population* and *Mental health services for older people*. It will also feature in future local government overview reporting.
- **Risk management in councils:** Risk management is currently addressed as part of the annual audit assessment of the control environment in all audited bodies. Any concerns are highlighted in individual annual audit reports. Any significant issues of concern would be brought to the attention of the Commission through a CoA S102 report.
- **Local government services:** We are proposing to use the *Local Government Overview* as the main vehicle for reporting on local government services. See Part 5 of the report for more details on the proposed approach.

Action point: The Commission is invited to note how the work programme reflects its strategic areas of interest (see paras 11-13).

Strategic Scrutiny Group

14. The Strategic Scrutiny Group (SSG) is the main vehicle through which the Commission oversees and manages the co-ordination local government scrutiny - a responsibility which was given to the Commission following the [Crerar review](#) in 2007.
15. The SSG continues to be an important element of the Commission's work and which requires significant support from Audit Scotland in relation to both supporting the group itself and managing the Shared Risk Assessment (SRA) process on the Commission's behalf. This process involves all local government appointed auditors and scrutiny partners (e.g. Education Scotland and the Care Inspectorate).
16. Beyond its core role of overseeing the SRA, the SSG has also been taking forward a range of collaborative scrutiny developments in areas of shared interest such as community empowerment, drug services and self-evaluation. These were set out in the update on the work of the SSG at the Commission's [February meeting](#). These various streams of development activity all involve support and resource commitments from Audit Scotland.

Part 2 – Consultation feedback

Consultation feedback

General feedback

17. The Commission received a [report in February](#) summarising the outcomes of its recent consultation on the work programme. Respondents were very positive about the content of the programme and there was strong continued support for the Commission's core products including overview reporting, the How Councils work series, and the Commission's use of alternative outputs such as briefing papers.
18. The main headline comments on the work programme and our proposed responses are set out in Table 1:

Table 1: Proposed responses to general consultation feedback

- **Local government funding and reform:** This will continue to be a key theme in future local government overview reporting and Best Value audit work in councils. Public service reform, and the funding provided to local government to support its implementation, also continues to be

a key theme across the performance audit programme (e.g. Early learning and childcare, social care sustainability, improving educational outcomes, health and social care integration, etc.)

- **European Union (EU) withdrawal and its impact on workforce and funding:** We will continue to monitor the impact of the UK's departure from the EU on public services and public finances in Scotland and will adapt the work programme in response to emerging risks and issues.
- **Climate Change:** Given the weight of responses on this topic and the priority given to it by the Auditor General for Scotland in our engagement with her over the work programme refresh we are proposing to give greater prominence to this topic by preparing a briefing paper on the climate change emergency in 2020/21 or early 2021/22 which will set out how public bodies are responding to the climate change emergency, including highlighting any innovative practice. The briefing paper will also be used to inform the scope and timing of our proposed audit on progress against the Scottish Government Climate Change Plan which is currently scheduled for years 3-5 of the programme (between 2022/23 to 2024/5).
- **Health:** This continues to be a key area of audit interest for the Auditor General for Scotland through NHS Overview reporting, NHS S22 reports and a suite of performance audits contained in the work programme (e.g. public health, drug and alcohol services, mental health service (older people or learning disability services), several of which will be joint AGS/Commission audits.
- **Community Empowerment:** Audit Scotland is continuing to work with scrutiny partners on this topic through the Strategic Scrutiny Group (SSG) and with the Community Empowerment Advisory Group. We are proposing a performance audit in 2022/23 and we are engaging with several Commission members to inform the approach to be taken to this work.
- **Collaborative leadership:** Public sector leadership continues to be an important area of focus as part of our programme development activity as well as featuring as a key theme in relevant performance audits (e.g. Local Government Overview reporting, health and social care)
- **Economic growth:** This is already a prominent theme in the work programme, with performance audits on the Scottish Government Enterprise and Skills Review, Scottish Investment Bank, City Region and Growth Deals 2, and Planning for economic development post-EU withdrawal. It also continues to feature as a key area of interest for the PIE policy cluster.
- **Good practice:** We will continue to engage routinely with the Improvement Service to consider how best to respond to the interest shown by some respondents in the sharing of good practice examples of transformation, prevention, shared services, and making more fundamental service delivery decisions. This engagement will also help inform plans for future HCW products.
- **Feedback on the timing of audits:** A small number of respondents suggested potential changes to the timing of the Waste Management, Health and Social Care Integration Part 3, and Replacing Structural Funds audits contained in the draft work programme.

The relevant policy clusters have considered the points raised and are not proposing to change the timing of these audits for the reasons set out below:

- **Waste Management:** An early audit will provide insight into the state of councils' readiness to introduce the Biodegradable Municipal Waste (BMW) Landfill Ban and will provide a basis for potential further work in this area. Scoping will inform our thinking, and should it indicate that the timing should change we will discuss this with the AGS and Commission.
- **Health and social care integration Part 3:** The argument for pulling this audit forward suggested that the respondent was unaware of the Commission's plans to introduce Best Value auditing in IJBs and/or that IJBs will continue to be subject to annual audit with any significant failings leading to a S102 report to the Commission from the CoA.

- **Replacing Structural funds:** Given the ongoing uncertainty around the impact of EU withdrawal, this audit has been removed from the programme and an audit on planning for economic growth post-EU withdrawal is now proposed in years 3-5 of the rolling work programme in its place.

19. Appendix 2 summarises how we have responded to the work programme consultation feedback as it relates to both thematic performance audit work, local government topics and future HCW activity.

Action point: The Commission is invited to note how stakeholder feedback has been reflected in the work programme (See paras 17-19 and Appendix 2).

Part 3: Work programme refresh proposals (2020/21 – 2024/25)

20. This year's work programme refresh is taking place in the context of an increasingly uncertain environment for the Commission, AGS and public services in Scotland. The level of uncertainty and unpredictability is unlikely to decrease in the foreseeable future, making it even more important that the work programme can adapt and respond flexibly to changes in the public sector operating environment.
21. 2020 will also see a transition in Auditor General. Flexibility therefore needs to be built into the work programme to respond to the evolving priorities of the Commission and the new AGS. We will use our ongoing engagement with stakeholders across the public sector to inform our regular discussions with the Commission and AGS about new and emerging risks and how they should be reflected in the work programme.
22. The proposed changes to the programme have been developed based on our consideration of audit intelligence, changes to the policy and fiscal environment, risks and issues and the strategic priorities of the AGS and Commission. These proposals are summarised in Exhibit 2 (page 7).


Exhibit 2: Refreshed performance audit proposals 2020/21 – 2024/25 (AGS and Commission)

★ New

➡ Move

⊕ Change

✖ Remove

	2020/2021	2021/2022	2022 to 2025 areas of longer-term audit interest which are being considered for inclusion in the future work programme
 <p>Performance audits</p>	<ul style="list-style-type: none"> • Highlands and Islands Enterprise: Cairngorm Funicular (AGS) • Skills – planning and investment (ASG) • Social Security (AGS) • Affordable housing (Joint) ✖ Commonwealth Games legacy (Joint) • Educational outcomes (Joint) • Waste management (Joint) • Digital progress in local government (AC) ✖ Supporting economic growth: the role of local authorities (AC) 	<ul style="list-style-type: none"> ✖ Development of Scotland's new agriculture and fishing policy (AGS) • Fair access to higher education (AGS) • Social Security (AGS) ➡ Digital in health (Joint) (was 22/23) ⊕ Implementation of Justice Strategy (Joint) ➡ Outcomes for children with additional support needs (Joint) (was 20/21) ✖ Workforce planning post-EU withdrawal (Joint) ⊕ Local government services (AC) 	<p>Health, Care and Communities</p> <ul style="list-style-type: none"> ★ Disability (Joint) ★ Drug and alcohol services (Joint) ★ Public health arrangements (Joint) • Health and social care 3 (Joint) • Housing for an older population (Joint) • Mental health: older people or learning disability (Joint) • Progress in addressing child poverty (Joint) ★ Community empowerment (AC) <p>Justice, Education and Lifelong Learning</p> <ul style="list-style-type: none"> ➡ Digital services: justice (AGS) (was 21/22) • Digital: progress against the Digital Strategy (AGS) ★ Early learning and childcare (Joint) ➡ Improving outcomes for looked after children and young people (Joint) (was 21/22) ★ School education: follow up audit (Joint) <p>Public finances, investment and economic impact</p> <ul style="list-style-type: none"> • Climate change plan (AGS) • Public energy company (AGS) • Social Security (AGS) • Support to rail services (AGS) • Supporting economic growth: Enterprise and Skills Review (AGS) • Scottish Investment Bank (AGS) ★ Planning for economic growth post-EU withdrawal (Joint) ★ Public finances and economy (AGS or Joint) ✖ Replacing Structural Funds (Joint) • Strategic capital investment (AGS or Joint) ➡ Scotland's City Region and Growth Deals 2 (Joint) (was 21/22)
	<p>⊕ Social Care Sustainability (Joint)</p>		

23. The rationale for proposed changes to the programme are set out in Table 2:

Table 2: Rationale for proposed changes to the work programme

Year	Proposed changes to the programme
2020/21	<p>Remove</p> <ul style="list-style-type: none"> • Commonwealth games legacy (Joint): propose remove from programme. Given the significance of other audits in the programme, in our view the legacy of the Commonwealth Games is a lower priority. A full audit would deliver lower impact given the one-off nature of the Games. For example, it is unlikely that focused recommendations could be made. The Games' legacy has now merged with business-as-usual which would make identifying legacy outcomes directly attributable to the Games difficult. • Supporting economic growth: the role of local authorities (AC): on behalf of the Commission, we invited the Improvement Service to provide a general briefing on its work to the Commission in January. At its meeting on the 20 February, the Performance Audit Committee considered an options paper from Audit Scotland on how the Accounts Commission might take forward its interest in the role of councils in supporting inclusive economic growth at its meeting on 20 February and agreed to recommend to the Commission that this audit be removed from the work programme, with the issue of inclusive economic growth continuing to be monitored by the PIE policy cluster. <p>Revised timing</p> <ul style="list-style-type: none"> • Outcomes for children with additional support needs (ASN) (Joint): move to 2021/2022. The Scottish Government has commissioned a review of services for children with ASN that is due to report with recommendations at the end of February 2020. We want to allow at least 9 months after the report for bodies to start acting on the recommendations, but not so long that the momentum that has been built up by the review is lost. Children's Rights legislation is due to be enacted in Scotland in 2021. This audit will not be able to look at the impact of this but could potentially look at bodies' planning for it. • Social care sustainability (Joint): we have this audit straddling across two years. It will be a large, complex joint audit and requires considerable scoping to keep it focused and manageable. We are due to start the audit in Summer 2020 and therefore will not be reporting until after Summer 2021. We are also exploring new audit approaches, including citizen-based audit which will take time to develop.
2021/22	<p>Remove</p> <ul style="list-style-type: none"> • Workforce planning post-EU withdrawal (Joint): propose remove from the programme. Given the potentially significant impact of EU withdrawal for local government services and health we propose workforce planning be featured in the <i>Local Government Overview</i> and <i>NHS in Scotland Overview</i>. We are producing a briefing on <i>Teacher workforce planning</i> in 2020/2021 and will consider workforce issues through our ongoing programme development activity across all three policy clusters. • Development of Scotland's new agriculture and fishing policy (AGS): propose remove from the programme because of the delay in the UK's departure from the EU and associated ongoing uncertainty in this policy area. <p>Change of timing or approach</p> <ul style="list-style-type: none"> • City Region and Growth Deals part 2 (Joint): move to 2022/2023. The current audit started later than originally planned therefore 2021/2022 feels too soon to conduct a second audit. Revising the timing of the second audit to 2022/2023 will allow Deals to progress and the recommendations of the current audit to be implemented. • Digital in learning or justice (AGS): move to 2022/2023 and bring forward the <i>Digital in health</i> audit which we propose becomes a joint audit. We understand that progress in delivering the Digital Health and Care Strategy has been slow. Looking at this earlier than

	<p>currently planned would add more value. We are also aware of potential delays to the Digital Justice programme where we feel an audit later in the programme would be preferable.</p> <ul style="list-style-type: none"> • Implementation of Justice Strategy (Joint): this audit was previously titled <i>Community Justice</i>. In addition to the previous audit focus on community justice reform, we propose the scope of the audit be broadened to include an evaluation of the delivery of the Scottish Government's strategy Vision and Priorities for Justice (2017-20) with a primary audit focus on the custodial/community sentencing balance, significant civil and criminal law reform and efforts to improve the experience of victims and witnesses. A briefing paper to inform the scoping of this work is planned in 2020. • Outcomes for looked-after children (Joint): move to 2022/2023. This move is linked to the proposed rescheduling of the <i>Outcomes for children with additional support needs</i> audit. We want to avoid scheduling too many audits in the same sector within a short period. Moving this audit would provide an appropriate gap in the audit 'burden'. The independent care review commissioned by the Scottish Government reported in February 2020. The revised timing gives bodies time to act on the review's recommendations.
2022 to 2025	<p>Audits in years 2022 to 2025 represent areas of longer-term audit interest which are being considered for inclusion in the future work programme. These are kept under regular review and are subject to change in response to audit intelligence and risk analysis. As part of this work programme refresh, we are proposing the following adjustments to the longer-term work programme:</p> <p>Remove</p> <ul style="list-style-type: none"> • Replacing Structural Funds (Joint): propose replace with new joint audit <i>Planning for economic development post-EU withdrawal</i>. Current European Structural Funding streams will end at the end of 2020. There remains significant uncertainty about what replacement funding will look like or how it will be administered (including the role of devolved administrations). The planned consultation on the UK Shared Prosperity Fund has been delayed until later in 2020. Until there is clarity it is difficult to know what the audit angle would be. As the aim of Structural Funds is to deliver sustainable economic growth, we propose covering this in a new audit <i>Planning for economic development post-EU withdrawal</i> <p>Change of timing or approach</p> <ul style="list-style-type: none"> • Digital in health (change to Joint): move to 2021/2022 for the reasons outlined under the <i>Digital in learning or justice</i> audit. We propose changing this audit to a joint audit (from an AGS-only audit) given the focus on the Digital Health and Care Strategy. <p>Addition</p> <ul style="list-style-type: none"> • Community Empowerment (AC - 2022/2023): given the levels of interest in (both consultees and Commission members), and the significance of this key legislation for local government, we are considering adding a new performance audit. It is likely the audit would be a Commission-only audit. <p>Although we cover aspects of community empowerment in BVARs, this work does not allow us to get into the level of detail required to understand how well it is being implemented and what some of the potential challenges are. The <i>Principles for community empowerment</i> output was very well received with a strong message that there is an appetite and need for us to carry out further work in this area.</p> <p>We have prepared an options paper for future performance audit work for consideration by the Commission in May or June. An audit may consider the impact of community empowerment approaches in local government on reducing inequalities and improving outcomes for communities. We are also in early discussions with Education Scotland about potential joint work around community empowerment and development.</p> <ul style="list-style-type: none"> • Planning for economic development post-EU withdrawal (Joint): proposed new audit, with flexibility in both scope and timing. Further scoping work would be undertaken but at this stage potential options include assessing how the Scottish Government (and public bodies)

	<p>are planning for and responding to the impact of EU withdrawal on local economies, and the impact of changes to structural funds and the initiatives these funds support.</p> <ul style="list-style-type: none"> • Drug and alcohol services (Joint): proposed new audit. This is a priority area for the Scottish Government with a new strategy published in 2019. Scotland has the highest rate of drug-related deaths in Europe and one of the highest alcohol-related death rates. Our 2019 briefing paper highlighted a lack of progress since our last audit ten years ago. The scope of any work will be informed by engagement with Strategic Scrutiny Group members given their shared interest and intelligence in this area. • Public health arrangements (Joint tbc): proposed new audit later in the programme. The audit would build on the work undertaken for the 2019 briefing. The scope will be refined further but would focus on the implementation of the new arrangements. • Early learning and childcare series (Joint): proposed new audit as part of the <i>Early learning and childcare</i> series of audits. The programme already contains an audit for 2021/2022 but it will be too early to assess impact at that point. Instead the 2021/2022 audit will be a short audit looking at whether the expansion was delivered as planned and its cost. We propose a further audit in 2024/2025, the timing of which will allow us to review the Scottish Government's final evaluation report on the expansion (due 2024). The proposed audit timing also allows additional time for the expansion to have an impact on outcomes. • Education (Joint): proposed new audit assessing the impact of education reform and key Scottish Government policies such as the Scottish Attainment Challenge over a longer time period. Significant changes took place from 2018 with education reforms – it is too early for the current audit to make judgements on the longer-term impact of these reforms. The audit will also follow up on the recommendations within the current 2020 <i>Educational attainment</i> performance audit, and potentially recommendations that are relevant to school education in other audits such as <i>Outcomes for children with additional support needs</i> and <i>Outcomes for looked after children and young people</i>.
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Housing Benefit thematic and risk-assessed performance audit work

24. In the changing context of social security and welfare reform in Scotland, in September 2017, the Commission expressed a wish to establish a higher profile around benefit auditing and to consider a more strategic approach. In December 2018, the Commission agreed a new approach to the housing benefit (HB) performance audit work by moving to a more thematic approach for 2019/20.
25. In March 2019, the Commission agreed to undertake two thematic studies (overpayments, and resourcing models), and two individual council risk-assessments.
26. A HB benefit performance audit has been completed at Shetland Islands Council and we are currently preparing a HB performance audit on East Dunbartonshire Council. The report for the East Dunbartonshire Council audit is expected to be published in March or April 2020. A formal report for Shetland Islands Council was not required.
27. The Commission is due to consider the HB overpayments thematic study report at its meeting on 12 March 2020, and we are at the early stages of scoping the 'Resourcing the Benefit Service' thematic study. It is expected that this study will be completed in the Summer of 2020.

Action point: The Commission is invited to approve the work programme refresh proposals (See paras 20-23, Exhibit 2 and Appendix 1)

Part 4 - Best Value auditing in councils and IJBs

Best Value auditing in councils

28. As well as delivering the remaining BVARs needed to conclude the current cycle of local government Best Value auditing, we continue to support the Commission in designing and planning the implementation of the next iteration of the Commission's integrated Best Value audit approach. This new approach will be introduced as part of the new Code of Audit Practice and will build on the model that was introduced in 2016 and reflect the new Best Value statutory guidance.
29. The audit of the accounts is at the centre of the integrated audit approach providing the foundation for audit work necessary to support the conclusions on wider-scope audit including Best Value. The integrated approach also informs other audit work and outputs (e.g. overview reports, HCW and, where appropriate S102 reports).
30. The new Best Value auditing approach will require auditors of local government bodies to assess and report on audited bodies' performance in meeting their Best Value and community planning duties in line with a programme of coverage of Best Value themes, which will be determined by the Commission, and integrate that assessment with the annual audit. Auditors will:
 - consider, within the wider-scope areas set out in the Code of Audit Practice, the Best Value statutory guidance, and include the risks they identify in their annual audit plan and report their conclusions
 - report progress against findings and recommendations on previous reports on Best Value and subsequent annual audit reports
31. During 2020, we will develop the arrangements and guidance needed to support the implementation of the new audit approach. This will include considering how Best Value themes identified by the Commission can best be reflected in annual audit planning guidance and how best the Commission can report nationally on thematic aspects of local authorities' approaches to delivering Best Value.

Best Value auditing in IJBs

32. Following discussions at the Best Value Working Group (BVWG) and at the Accounts Commission, the Commission confirmed that it would like Audit Scotland to develop an approach to Best Value (BV) in Integration Joint Boards (IJBs). The approach is to focus on making the best use of the wide range of existing available evidence, culminating in a report by the Controller of Audit (CoA) to the Commission:
 - Best Value audit work will remain integrated in annual audit work and reported in the IJB Annual Audit Reports (AARs). The new Code of Audit Practice will reflect this. Auditors will report on BV in their IJB on an ongoing basis over the five-year-audit appointment and will build on the auditors' current reporting of BV findings in AARs. This ongoing reporting will remain minimal and high-level.
 - Once during the five-year audit appointment, the Commission will review the AAR for each IJB. In the year that an IJB is to be considered by the Commission, more in-depth work and reporting will be undertaken with the support of PABV. The AAR will be presented under the cover of a S102 Controller's report. This

will provide the Commission with assurance on BV in each individual IJB. No separate Best Value Assurance Reports (BVARs) will be published.

33. We are in the process of working with the Commission to agree the new approach.

Part 5 - Local government services and overview reporting

34. Given the significant programme of development work we are undertaking for the Commission, resources do not allow for the introduction of an additional programme of local government service specific performance audits. Instead, as agreed with the Commission in [June 2019](#), we intend to use the local government overview (LGO) report as the primary vehicle for reporting on the performance of local government services. This will involve:

- adopting a more strategic three-year outlook to overview reporting, informed by Commission in-year priorities
- engaging with key stakeholders to ensure that the proposed areas of focus (i.e. services and themes) for the three-year outlook will add value
- ensuring that the key themes and content of the local government overview are informed by, and inform, other audit work (e.g. local annual audit, How Councils Work, AAR, BVARs).

35. This new model of working will allow us to more closely tailor the focus of the LGO to the Commission's strategic priorities. Where appropriate and necessary we may use other approaches such as round table discussion with practitioners to inform the content of the LGO. Subject to resources, and based on need, we may also supplement the content of the LGO with briefing papers on specific services or themes.

36. Based on previous engagement with the Commission on their strategic priorities at strategy seminars, Committees and Commission meetings, recent consultation feedback and our analysis of key local government risks, we are proposing the following themes for coverage in future local government overview reports (Table 3).

Table 3: Proposed themes for future LGO reporting

- **Culture, libraries and leisure services** - important community services which have seen significant cuts in recent years
- **Community infrastructure services** - transport, digital facilities, libraries – important local services impacting on access and wellbeing
- **Regulatory services** - trading standards, environmental health and licencing - community services important to community safety and wellbeing
- **Core infrastructure services** - schools, social care facilities, roads, street lighting and bridges - areas of deteriorating performance affected by budget cuts
- **Council organisational capacity** – important back office functions of HR, finance, legal, ICT, payroll affected by staffing reductions

37. The Commission may wish to consider the relative risks associated with each of these areas and the preferred sequencing of the three-year overview thematic reporting programme at its strategy seminar in March 2020.

Action point: The Commission is invited to:

- agree to adopt an LGO-driven response to local government-specific themes and issues
- consider sequencing of LGO themes at its March strategy seminar.

(See paras 34-36 and Table 3)

Part 6 - Improvement support and best practice (including future HCW reports)

38. As part of its recent engagement with the interim Chief Executive of the Improvement Service (IS), the Commission acknowledged that the IS was the body with primary responsibility for supporting improvement in local government in Scotland. It was stressed, however, that the Commission also had an important and complementary role to play in this area.
39. In particular, the Commission has committed to consulting with the IS and COSLA over any future HCW reports and is considering preparing a joint statement with the IS on each bodies' respective roles in relation to improvement.
40. Table 4 sets out a list of potential HCW topics for discussion with the IS and COSLA. Once those discussions have taken place their views will be brought back to the Commission before a final decision is made on whether and when any further HCW reports should be prepared.

Table 4: Potential HCW topics for discussion with the IS and COSLA

- Emergency/resilience planning - planning for weather, infrastructure, utilities, cybercrime, terrorist and transport disruptions
- Financial planning and reporting - longer-term, integrated, and transparent financial planning linked to impact on services and delivery of outcomes
- Public Performance Reporting (PPR) - transparent reporting demonstrating the delivery of outcomes
- Service reviews - collaboration to deliver fundamental change in the way services are delivered
- Workforce planning - designing a workforce fit for the future

Action point: The Commission is invited to consider the outcomes of its engagement with the Improvement Service and COSLA over future HCW reporting at a future meeting (see paras 38-40 and Table 4).

Part 7 - Adding value through insight on key issues and risks

Programme development activity

41. Identifying issues and key risks that lie ahead is an essential part of the programme development work we do on behalf of the Commission and the AGS. Cluster briefings, round tables, blogs and briefing papers are the main vehicles through which we do this. Our work with the AGS and the Commission on these types of activities helps them to respond quickly and flexibly to new and emerging public sector risks.
42. We will continue to work with the Commission as it considers how it wishes to further develop flexibility in the use of its reporting powers. We will continue to explore innovative new products and approaches, working with the Commission to consider how these might affect the role of sponsors and how the Commission's committees might operate in future.

Round Tables

43. Part of this responsive work can involve hosting round table meetings for organisations to discuss key public sector risks and challenges, such as our session in 2019 with bodies such as Universities Scotland, British Medical Association Scotland, and the Society of Chief Officers of Environmental Health in Scotland to explore how the public sector and its partners are being affected by and preparing for EU withdrawal.
44. Round tables can also be used to promote the findings of audit reports, helping public bodies identify and overcome barriers to change in support of improving public services. We anticipate greater involvement of Commission members in this work in future, in line with the Commission's commitment to actively collaborate with stakeholders set out in its draft strategy and work programme (2020-25).

Briefing papers

45. An increasingly important tool which we have developed over recent years to offer insights and add value on issues of topical interest are briefing papers. During 2019 we published a suite of briefing papers for the AGS and the Commission, including: [Drug and alcohol services](#); [Enterprise and Skills review – core areas of audit interest](#); [Operation of the Fiscal Framework](#); [Planning for outcomes](#); [Preparing for withdrawal from the European Union](#); [Principles for community empowerment](#); and [Student loans](#)
46. These briefing papers are an important tool which the AGS, Accounts Commission and Audit Scotland can use to respond in a flexible and agile manner to key emerging issues across the public sector.
47. At present, we are planning to prepare the following briefing papers during 2020/21 and 2021/22:
 - ***Teacher workforce planning (2020/21)***: briefing paper containing analysis of future demand for the teaching workforce in Scotland, drawing in part on data gathered as part of the improving education outcomes performance audit and offering comparisons with the 2017 NHS workforce planning audit.
 - ***Cyber outputs (2020/2021)***: blog and auditor guidance linked to Scottish Government's recently published Cyber-resilience framework.

- **Climate change (2020/21 or early 2021/2022):** new briefing drawing together how public bodies are responding to the climate emergency, including highlighting any innovative practice. Within the briefing we may also consider the role of the new Scottish National Investment Bank in supporting the green economy and sustainable economic growth.
- **Implementation of SG Justice Strategy (2020/21):** The work programme currently contains a proposal to undertake an audit of community justice in 2021/22 but we believe a broader piece of audit work may be more appropriate. Given the scale of the justice system, and the number of bodies involved, we propose to prepare an initial briefing paper in 2020 which will provide a high-level overview of the key issues facing the sector to inform the scoping of any further audit work we might undertake in this area.
- **Capital investment (2021/2022):** new briefing looking at plans to manage growth in infrastructure spend, capacity and capability. This briefing would also look at the purpose of capital spend against outcomes and the National Infrastructure Mission.

48. As mentioned earlier in Part 5 of this report, subject to resources, and based on need, we may also supplement the content of the LGO with briefing papers on specific local government services or themes.

49. The proposal is that briefing papers for the Accounts Commission would:

- be factual in nature, and contain no audit judgements
- be considered in the public sessions of Commission meetings
- draw primarily on existing and publicly available data and audit evidence.

Promotion and impact

50. Audit Scotland and the Commission have a shared interest in ensuring that the messages from our work reach the right audiences and generate the greatest impact. We will continue to work closely together during 2020 to implement the Commission's engagement strategy and Audit Scotland's new communications strategy, with its emphasis on:

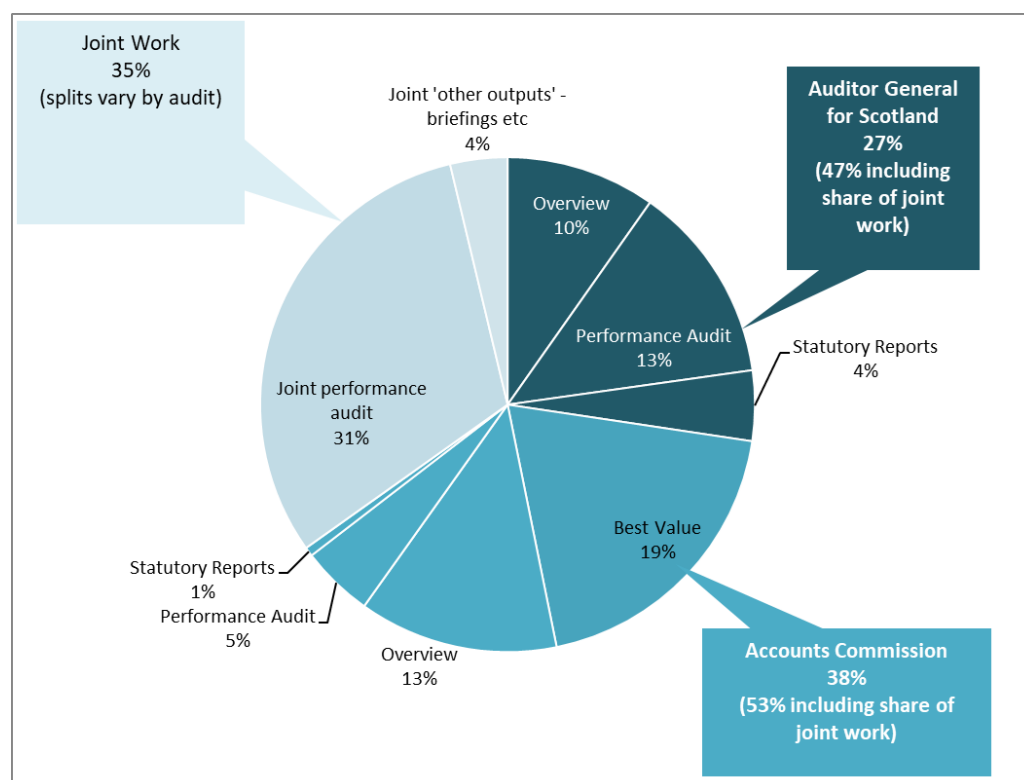
- key messages about independence, quality and transparency
- taking an audience-led approach to communication
- making use of partnerships and networks to leverage more impact from our work
- being simple, clear and bold about our messages.

51. This will involve working closely with Commission sponsors during and after audits to ensure that our messages are communicated effectively to key audiences, using a range of channels and mediums such as conferences, social media, blogs and round tables.

Part 8 - Resources

52. In the region of 80% of all audit work undertaken by Audit Scotland on the Commission's behalf is the annual financial statements audit of councils and other local government bodies. The remaining 20% comprises performance audit, overview reporting, How Councils Work reports, and other outputs such as briefings, round tables and online material. The 20% also includes PABV support for Best Value audit work and statutory reporting in councils and IJBs. The analysis relates to the 20% of the Commission's resources which come from Audit Scotland's PABV Group.
53. In planning and resourcing the complex work programme PABV delivers on behalf of the Commission, we need to ensure sufficient flexibility to respond to emerging audit and policy risks and issues while also meeting our commitment to delivering audits and wider scope work to international auditing standards.¹ With finite resources this requires an agile and flexible approach to delivering the programme and our wider development work. This can also have implications for the scheduling of particular pieces of work.
54. The work programme contains a balance of AGS only, Commission only and joint audit and programme development work. Exhibit 4 shows the indicative resources needed to deliver the programme broadly reflecting the overall balance of funding received by the AGS (47%) and the Commission (53%).

Exhibit 4: Programme resource allocation AGS/Commission split 20/21 and 21/22 combined

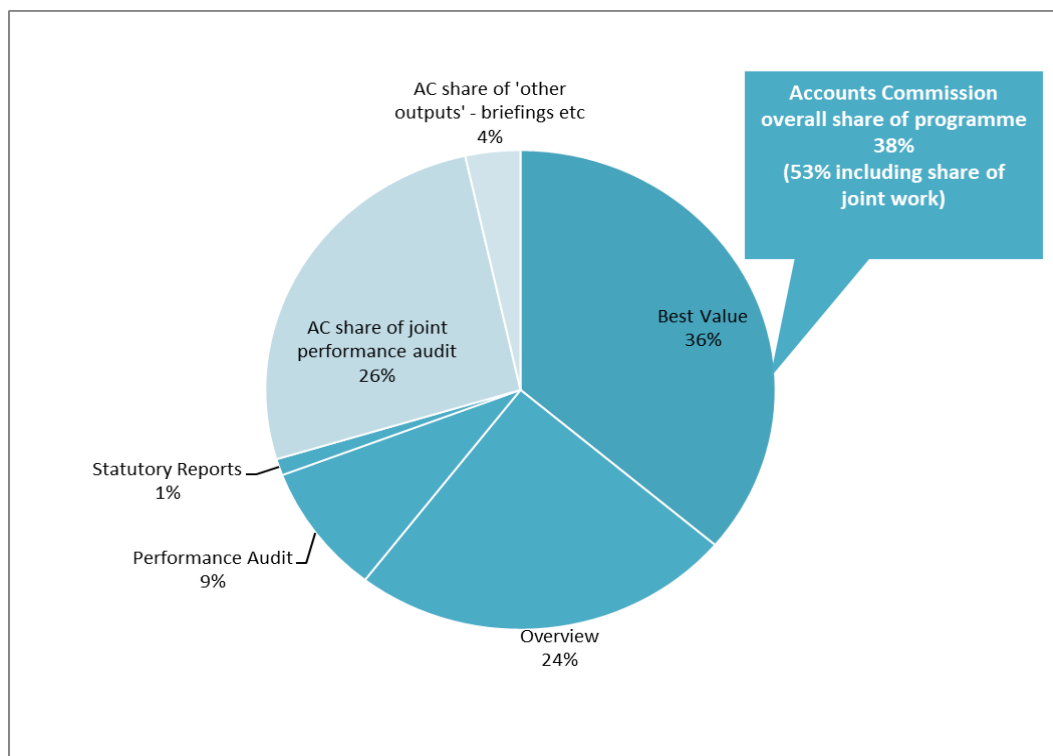


Source: Audit Scotland, February 2020

¹ International Standards of Supreme Audit Institutions (ISSAI) 3000 – Standards for Performance Auditing (requirement 63) and International Standards on Auditing (ISA) 300 (A8)

55. Exhibit 5 shows the proposed allocation of audit resources across the range of audit work undertaken on the Commission's behalf (ex. annual financial statement audit).

Exhibit 5: Programme resource allocation by audit type 20/21 and 21/22 – Accounts Commission only



Source: Audit Scotland, February 2020

56. The indicative resource allocation is based on a combination of approved audit budgets where audits have commenced, appraisal and scoping work, and in some instances a cost comparison with completed audits of a similar scope, scale and duration. These are refined as the detailed planning for audits is undertaken by the respective audit teams. Appendix 4 sets out the indicative resource allocation for 2020/21 to 2021/2022.

Recommendations

57. The Commission is invited to:

- a) Note how the programme reflects Commission strategic areas of interest.
- b) Note how stakeholder consultation feedback has been reflected in the programme (Part 2 and Appendix 2).
- c) Consider and approve the refreshed work programme proposals (Part 3).
- d) Agree to adopt an LGO-driven response to LG-specific service performance (Part 5).
- e) Agree to consider sequencing of LGO themes at March strategy seminar (Part 5).
- f) Agree to engage with IS and COSLA over future HCW (Part 6).
- g) Agree to consider a response to engagement with IS and COSLA over future HCW and next steps at a future meeting (Part 6).

Appendix 1: High-level performance audit scopes 2020/2021 and 2021/2022

2020/2021

Accounts Commission

Digital in local government

Digital technology can fundamentally change how council services are delivered. It has the potential to improve experiences and outcomes for service users, improve how councils interact with citizens, and make councils more efficient. Digital transformation, as with any major change also presents risks to councils and can bring considerable challenges.

This is our first audit looking at digital progress in local government. It follows on from other work looking at digital progress across the public sector. The audit aims to look at what progress councils are making in becoming digital councils that improve services and deliver better outcomes for citizens. This will include looking at what it means to be a digital council, how well councils are putting in place the building blocks to become a digital council, and what barriers councils are facing.

Joint audits

Affordable Housing

The Scottish Government's vision is to provide an affordable home for all by 2020, with four key targets for housing (covering homelessness, fuel poverty, energy efficiency and the quality of social housing). The government has also set targets for new homes for the current and previous parliamentary terms. Councils have a long-standing legal duty to assess and respond to housing need for their area. Council plans also need to consider people in the private sector in terms of housing need.

Our [2013 report](#) identified that a focus on numbers alone creates a risk that homes could be built where it is easy and most cost-effective, not where they are most needed. Since 2013 there have been changes to funding, for example the Scottish Government launched the Housing Infrastructure Fund in 2016 to help councils with the costs of supporting infrastructure such as roads and drainage.

The audit will consider what progress has been made against the national new build target, and how has this supported the policy objectives of reducing homelessness and increasing access to affordable housing for those most in need. It will consider local planning arrangements, variability between council areas, barriers to building enough homes in Scotland, and how the Scottish Government and councils are working together to address these barriers.

Educational outcomes

This audit will follow up on the Accounts Commission's [2014 report](#). Since then the Scottish Government has identified improving educational outcomes and closing the poverty-related attainment gap as its top priority. It has committed an additional £750 million to improve outcomes over the lifetime of this Parliament. Since 2014 there has also been significant change within the education sector, including development of the Scottish Attainment Challenge and Pupil Equity Funding. The audit will look at trends in educational outcomes and spending across Scotland and assess the impact of actions by the Scottish Government and councils to improve outcomes. It will also follow up on progress against the recommendations in the 2014 report.

Social Care Sustainability

There are major risks around social care financing, governance and accountability. While we have reported on these in several previous reports, we believe there to be a strong case for carrying out performance audit work looking at the risks in this area.

With increasing pressure on council and health budgets, and complicated arrangements in health and social care, the audit work would likely explore:

- *how social care services are provided across Scotland at a high-level*
- *how much is being spent, how this has changed and future spending plans*
- *what the main pressures and risks are, particularly in relation to financing and cost pressures*
- *the level of medium to long-term planning for the provision of social care*
- *outcomes for local populations*

Waste management

This audit will review councils' progress in reducing the amount of waste sent to landfill in the context of tighter targets and the Scottish Government's overall climate change objectives. It will compare performance and seek to identify good practice.

The timing of audit work at this time corresponds with EU targets for 2020, and action to meet Scottish Government's 2025 targets.

Auditor General for Scotland

Skills planning and investment

Having the right skills available within the working age population and equity of opportunity for learners are central to the Scottish Government's priority of economic growth. This audit will look at how effectively the Scottish Government works with relevant stakeholders (including the Scottish Funding Council and Skills Development Scotland) to identify and develop the skills needed for the economy and wider society. The audit will assess the effectiveness of skills planning, and what progress has been made with changes proposed through the Enterprise and Skills Review.

Social Security

This is the next in the series of performance audits of Scotland's new social security powers.

2021/2022

Accounts Commission

No Commission-only performance audits planned.

Joint audits

Digital in health

This audit will look at what progress has been made in delivering the Scottish Government and Cosla's Digital Health and Care Strategy published in April 2018. This will be the third in our series of audits looking at Digital across the public sector. It immediately follows on from our audit looking at Digital in Local Government which will publish in October 2020. We will be able to use the themes and issues identified in these previous audits to inform our work.

The strategy will have been in place for around 3 years at the point of undertaking the audit. Our current understanding is that progress to implement the strategy and establish governance arrangements etc. has been slower than expected. We will explore what progress has been made, what current plans are, and identify areas of good practice. We will continue to look at developments in other countries and use case studies to highlight examples of how digital is improving outcomes for citizens in the area of health and care.

Early learning and childcare

This short audit is part of a series of audits looking at the Scottish Government's expansion of funded early years provision. The audit will look at whether the expansion was delivered as planned and how much it cost. We will undertake a further audit in 2024/2025, the timing of which will allow us to review the Scottish Government's final evaluation report on the expansion (due 2024).

Implementation of Justice Strategy

A series of statutory reports in the last few years have highlighted issues in several organisations within the justice portfolio (the Scottish Police Authority, Community Justice Scotland and, most recently, the Scottish Prison Service). The reports suggest that there could be value in looking beyond the performance of individual organisations to take a 'whole systems approach' to examine the Scottish Government's approach to justice, as set out in its Vision and Priorities for Justice. The report on the Scottish Prison Service, in particular, indicates that actions taken to date have not shifted the balance from custodial sentences to more community sentences or early diversion from the courts.

The work programme currently contains a proposal to undertake an audit of community justice in 2021/22 but we believe a broader piece of audit work may be more appropriate. Given the scale of the justice system, and the number of bodies involved, we propose to prepare an initial briefing paper in 2020 which will provide a high-level overview of the key issues that inform and influence the justice system; and assess what further specific work we might undertake in this area.

Outcomes for children and young people with additional support needs

This audit will build on the work undertaken as part of the educational outcomes audit. In 2019, 31 per cent of all school pupils were recorded as having at least one additional support need. The number of pupils identified has been increasing each year, partly due to better identification of pupils' needs. There is also some evidence that number of pupils with more complex additional support needs is increasing. There are concerns about the number of specialist support staff in schools is not keeping pace with the increasing numbers of pupils identified, but changes in the way staffing data is recorded mean that trends are not clear. Available data on outcomes from school education shows a significant gap in attainment and positive destinations between children with additional support needs and all children. However, data on wider outcomes is not available to better understand the impact of education and other services on outcomes for young people with additional support needs. The audit will look across services and across the learner journey from early learning and childcare through to college / higher education / skills / employment.

Auditor General for Scotland

Fair access to Higher Education

The Scottish Government's Programme for Government 2014-15 set out the ambition that a child born at that time in one of Scotland's most deprived communities should, by the time of leaving school, have the same chance of going to university as one born in one of the country's least deprived areas. The Commission on Widening Access was established to advise Ministers on how to meet this ambition. Its final report, A Blueprint for Fairness, was published in March 2016. The Scottish Government subsequently set a national target that specified that, by 2030, students from the 20 per cent most deprived backgrounds should represent 20 per cent of entrants to higher education. This was supported by a further series of targets and actions. The Commissioner for Fair Access ('fair access' being the current term used to refer to the Scottish Government's ambition) was appointed in December 2016 and is responsible for leading a system wide effort to deliver fair access in Scotland.

The audit would look at progress in delivering the Scottish Government's ambitions and targets for fair access. It is widely recognised by stakeholders that access is only part of the ambition. Many of those to whom the Scottish Government's ambitions apply are likely to require specific support to allow them to participate fully and effectively in higher education, both prior to entry and during their studies. In addition to looking at progress against published targets, the audit would also examine how support is being provided and how effective and sustainable it is.

Social Security

This is the next in the series of performance audits of Scotland's new social security powers.

Appendix 2: Potential local government service topics identified by consultees and proposed responses

Respondents highlighted additional topics for the Commission to consider in its programme. Some of these were made specifically in response to the Commission's request for topics relevant to proposed audit work on local government services. These topics and our proposed responses are below:

Consultation feedback	Proposed response
Culture and leisure services, given contribution to improving public health.	Culture, libraries and leisure services are proposed as a theme for future LGO reporting.
Planning (Act). The Licensing Act and the role of licensing boards and partnerships. Skills gaps in trading standards and environmental health.	Regulatory services – The Commission is already covering Planning services as a theme in the 2020 performance and challenges overview report. Other regulatory services (including trading standards, environmental health and licensing) are proposed as a theme for future LGO reporting.
Public health reform.	The Commission has already received a briefing on public health in 2019. A performance audit on public health is also now included in the rolling work programme.
Organisational capacity in councils to maintain effective support services, including for HSCPs. Procurement of people services. Workforce planning (e.g. ageing workforce).	Council organisational capacity is proposed as a theme for future LGO reporting.
Public transport.	Community infrastructure services (including transport) are proposed as a theme for future LGO reporting.
Cyber security. Data sharing.	A briefing paper on Cyber security is being published later in 2020. Digital also continues to be a key theme across the work programme.
Financial and demographic planning.	This issue already features as a common theme in all Best Value audit reports and is also a common theme across the performance audit programme (e.g. health and social care integration, social care sustainability). In addition to this existing audit coverage this issue is also proposed as a topic for consideration as a future HCW topic.
Good practice in transformational change and making fundamental service delivery decisions.	This issue already features as a common theme in all Best Value audit reports and is also a common theme across the performance audit programme (e.g. health and social care integration, social care sustainability). The Commission has already agreed that it will engage further with the IS over its work programmes to avoid duplication of effort and ensure that the Commission's work (including good practice identified during audits) is being used to best effect by the IS to support improvements in the local government sector. This topic will feature as part of that discussion.
Housing management (to incorporate homelessness).	This is a core function for most councils and one where previous audit work has identified room for improvement, however, SHR has a clear role in reporting performance and it has found generally improving

Consultation feedback	Proposed response
	results. Audit work in this area may therefore not add much value and has not been included in the work programme.
Revenue services, including increase in rent arrears.	<p>Revenue services is included in a potential How Councils Work topic of 'council organisational capacity' which includes back office functions of HR, finance, legal, ICT, payroll and revenue.</p> <p>Rent arrears monitoring is a core responsibility of SHR therefore there is good coverage of that. Increases in rent arrears as a result of social security changes is monitored as part of our ongoing Housing Benefit and social security work.</p>
'Greenspace' services.	'Community infrastructure services' is a potential How Councils Work topic which includes services connected to access and wellbeing such as transport, digital facilities, libraries, greenspace services.
Employability.	Employability features as an area of interest to both our JELL and PIE policy clusters which are monitoring implementation of the SG's skills planning and investment reforms. Based on that monitoring this is a topic which will be considered for future audit work as part of next year's work programme refresh.

Appendix 3: outputs published on behalf of the AGS and Accounts Commission (excluding financial statements audit outputs)

	Reports	Total
2019/20	8 performance audit, 7 Best Value (6 BVAR, 1 follow-up), 3 Overview*, 1 How councils work, 23 'other'	42 reports
2018/19	6 performance audit, 7 Best Value, 5** overview, 18 'other'	36 reports
2017/18	7 performance audit, 8 Best Value (6 BVAR, 2 follow-up), 3** overview, 11 'other'	29 reports
2016/17	7 performance audits, 3 Best Value, 4 overview, 1 How councils work, 8 'other' (briefings and statutory reporting)	23 reports
2015/16	7 performance audits, 6 Best Value, 3 overview, 1 Community Planning, 1 How councils work, 9 'other'	27 reports
2014/15	6 performance audits, 4 Best Value, 6 Community Planning, 3 overview, 5 'other'	24 reports
* the 2019/20 Local government overview: challenges and performance will publish April 2020		
** the 2017/18 Local government overview: challenges and performance was published in April 2018		

Appendix 4: Indicative resource allocation (2020/21 – 2021/22) (excluding financial statements audit)

Below are indicative programme costs based on 2020/2021 and 2021/2022 audits. Financial statements audit, Scottish Exchequer/New financial powers work, and ongoing programme development activity are not included. Actual audit budgets and costs will be informed by scoping and appraisal work and are therefore subject to change as audit planning takes place. Audit costs will vary dependent on the grade and skill mix deployed. For comparison the *Self-Directed Support 2* audit required 497 audit days/£197,458, and the ALEOs audit 352 audit days/£140,142.

Auditor General for Scotland 2020/21 – 2021/22	Indicative audit Size	Indicative budget (£,000s)	Indicative budget (days)
NHS in Scotland x2	Overview	400	800
Scotland's colleges x1	Overview	85	180
HIE: Cairngorm funicular	Actual budget	92	141
Fair access to Higher education	Medium PA	175	350
Skills – planning and investment	Medium PA	175	350
Social Security 2020 and 2021	Medium PA	190	462
Statutory reports x30 (over 2 years)	Varies	240	460
Total		1357	2743

Accounts Commission 2020/21 – 2021/22	Size	Indicative budget (£,000s)	Indicative budget (days)
Best Value Assurance Reports x 13	BVAR	910	1950
Local government in Scotland: financial overview x 2	Overview (small)	230	540
Local government in Scotland: performance and challenges x 2	Overview	350	766
Digital progress in local government	Actual budget	218	473
Statutory reports x4	Varies	42	60
Total		1750	3789

Joint work (split varies depending on topic) 2020/2021–2021/2022	Size	Indicative budget (£,000s)	Indicative budget (days)
Affordable housing	Actual budget	185	428
Digital in health	Medium PA	175	350
Early learning and childcare	Small PA	100	175
Educational outcomes	Actual forecast	267	613
Justice	Medium PA	175	350
Outcomes for children with additional support needs	Medium PA	175	350
Social care sustainability	Large PA	225	500
Waste management	Medium PA	175	350
'Other outputs' – briefings, guidance etc	Varies	175	375
Total		1652	3491

****All figures approximate and based on initial assumptions around audit cost/size****

Overall indicative total 2020/2021 and 2021/2022: £4,758,797 / 10023 days

AGS indicative share adjusted for share of joint work: £2,246,768 / 4636 days (47% / 46%)

AC indicative share adjusted for share of joint work: £2,512,029 / 5387 days (53% / 54%)

Appendix 5: Previous audits follow-up considerations

Published 2019/20

Audit / output	Follow up – yes or no	If yes, why and when?
Social security: implementing the devolved powers	Yes	An annual performance audit of Scotland's Social Security arrangements is already included within the work programme.
Scottish Public Pensions agency	No	The appointed auditor will continue to monitor developments with the pensions administration and payments programme. The digital team will also continue to monitor this through general monitoring of the Scottish Government's Digital Assurance activity.
Enabling digital government	No	Currently down for 2021/22 impact report which should be sufficient. We are due to look at the implementation of the Scottish Government's digital strategy in 2023/24, so this is in effect the follow up.
Finances of Scottish universities	No	Impact report planned in 2020/21 or 2021/22.
NHS Workforce planning part 2	No	Impact report planned in 2020/21 or 2021/22.
Scotland's City Region and Growth Deals (January)	Yes	Remains a significant policy initiative. Further performance audit proposed for 2022/23 (one year later than current programme identifies). This audit will focus more on the delivery of projects and what has been achieved from them
Revenue financing of assets (NPD) (January)	No	Follow-up work can be accommodated as part of proposed 'Strategic capital investment' performance audit in 2022/23
Early learning and childcare follow up (March)	Yes	Two further audits proposed within the work programme.
Plus: Operation of the fiscal framework ; Principles for community empowerment ; Planning for outcomes ; Drug and alcohol services: an update ; Guide to the GMS contract ; Public health reform in Scotland ; Enterprise and skills review ; EU withdrawal (December)	Yes	Annual output already in programme
Drug and alcohol services: an update ; Guide to the GMS contract ; Public health reform in Scotland	No	We will continue to monitor these areas through the HCC policy cluster.

Published 2018/19

Audit / output	Follow up – yes or no	If yes, why and when?
Councils use of arm's length organisations (ALEOS)	No	This topic has already been reported on several times by the Accounts Commission and governance arrangements of ALEOs are routinely considered by local government appointed auditors as part of the annual audit.
Scottish Fire and rescue service: an update	No	No – this was an update to previous report
Forth replacement crossing	No	Implementation of report recommendations will be considered as part of 2019/20 Transport Scotland annual audit
Superfast Broadband for Scotland: a further progress update	No	We will continue to monitor the roll-out but have no specific audits planned
Children and young people's mental health	Yes	Impact report currently in the work programme for 2020/21 (suggest towards end of 2020). To consider progress with service and the recommendations in the audit report.
Health and social care integration: an update on progress	Yes	Third performance audit report in the programme in 2023/24. Plan to look at the outcomes being achieved.
Plus: Withdrawal from the EU ; Major project and procurement lessons ; What is integration? guide	No	No - follow up to the What is Integration Guide. But, some of the issues raised in the Major project and procurement lessons paper are likely to be of interest as part of the Strategic capital investment performance audit

Published 2017/18

Audit / output	Follow up – yes or no	If yes, why and when?
CAP Futures: a further update	No	CAP Futures programme will change post EU-withdrawal
NHS Workforce planning (1)	No	No – an NHS Workforce planning (2) report was published in 2019
Self-Directed Support: 2017 progress report	No	Impact report published in 2019.
Equal Pay in Scottish councils	No	Impact report due to be published in April 2020.

Transport Scotland's ferry services	No	Impact report published during 2019. We will continue to monitor ferry developments as part of Transport Scotland annual audit.
Early learning and childcare	Yes	Further report published in March 2020. Two additional audits proposed within the work programme.
Managing the implementation of the Scotland Acts	No	Being picked up through other work (i.e. Scottish Government and Revenue Scotland audits and work of social security and Scottish Exchequer teams)
Plus: Principles for a digital future	No	Already pick this up through our Digital work

Published 2016/17

Audit / output	Follow up – yes or no	If yes, why and when?
CAP Futures: an update	No	No point as programme will change post Brexit
Audit of Higher Education in Scottish Universities	No	Follow up audit Finances of Scottish universities was published in 2019/20.
Support Scotland's Economic Growth: role of Scottish Government and enterprise agencies	No	Audit work on Supporting Economic Growth: Enterprise and Skills Review, which will assess the effectiveness of these organisations is being considered as part of the 2022 to 20225 audit programme. In the meantime, Scottish Enterprise, and HIE will continue to be subject to wider scope annual audit.
Maintaining Scotland's roads maintenance: a follow-up report	No	Impact report published in 2018.
Superfast broadband for Scotland: a performance update	N/A	Follow-up performance audit published in 2018/19
Social work in Scotland	No	The themes identified during this audit are being picked up in other audits, including social care sustainability, health and social care integration series.
i6: a review	No	This programme has ended and been replaced.
Managing new financial powers: an update	No	The issues raised by this audit are being picked up through other work (i.e. Scottish Government and Revenue Scotland audits and work of social security and Scottish Exchequer teams)

Published 2015/16

Audit / output	Follow up – yes or no	If yes, why and when?
The Scottish Fire and Rescue Service	No	A follow-up audit on this topic has already been done
Managing ICT contracts in central government: an update	No	The issues raised by this audit will be picked up through continuing Digital work
Efficiency of prosecuting criminal cases through the sheriff courts	No	The systemic issues raised by this audit may feature as part of the Justice Strategy performance audit planned for 2021/22.
Health and social care integration (1)	No	No - Health and social care integration: an update on progress Already published in 2018
Implementing the Scotland Act 2012: an update	No	Being picked up through other work (ie Scottish Government and Revenue Scotland audits and work of social security and Scottish Exchequer teams)
Major capital investments in councils: follow-up	No	Some of the issues raised in the report may be followed-up as part of the 'Strategic capital investment' performance audit
Community planning: an update	No	The Commission and AGS decided not to undertake further audit work in this area when it considered the 2018 CPP audit impact report
Changing models of health and social care	No	The issues highlighted in this report and action against relevant recommendations will be picked up as part of our ongoing audit work in IJBs, future health and social care integration performance audit work and potentially in any future BV audit work in IJBs.