

**MEETING: 8 DECEMBER 2022**

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

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

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### **Purpose**

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

### **Background**

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

### **Scope and approach**

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

### **Wider work programme development**

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

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

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

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

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

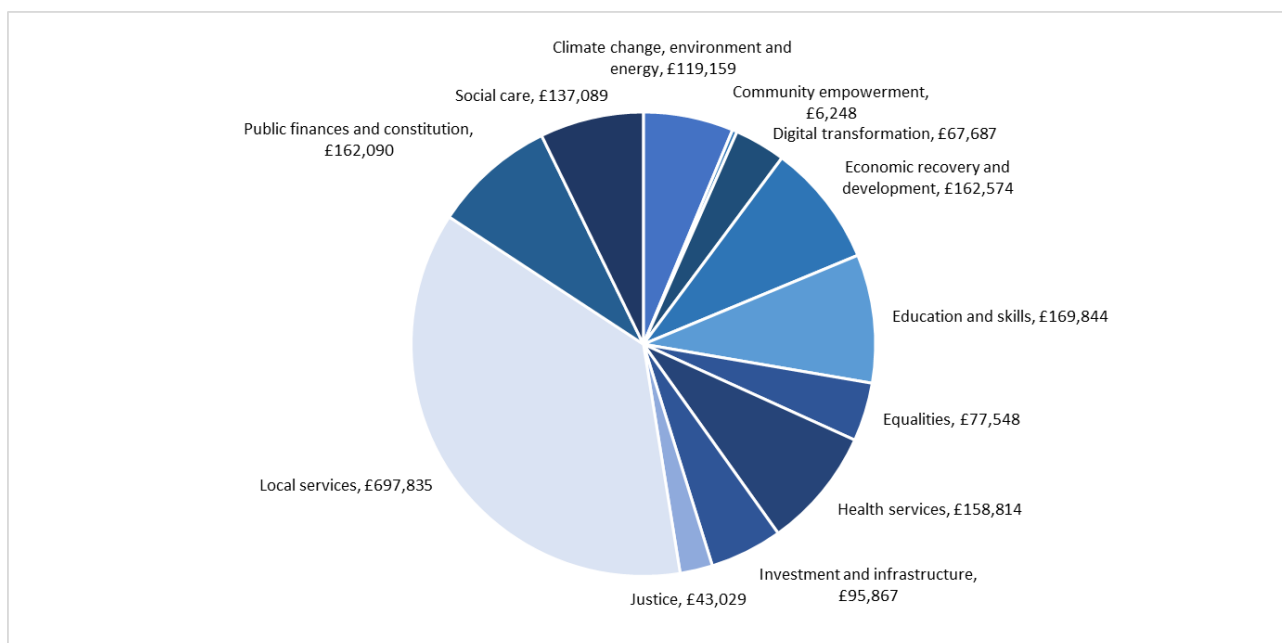
**Table 1: Planned audit work and budget by portfolio, linked to Commission priorities**

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

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

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

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



## Conclusion

12. The Commission is asked to:

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

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

**SCOPE OF MARCH 2023 IMPACT REPORTING**

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

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

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

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



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