

Dynamic work programme – Update

December 2022

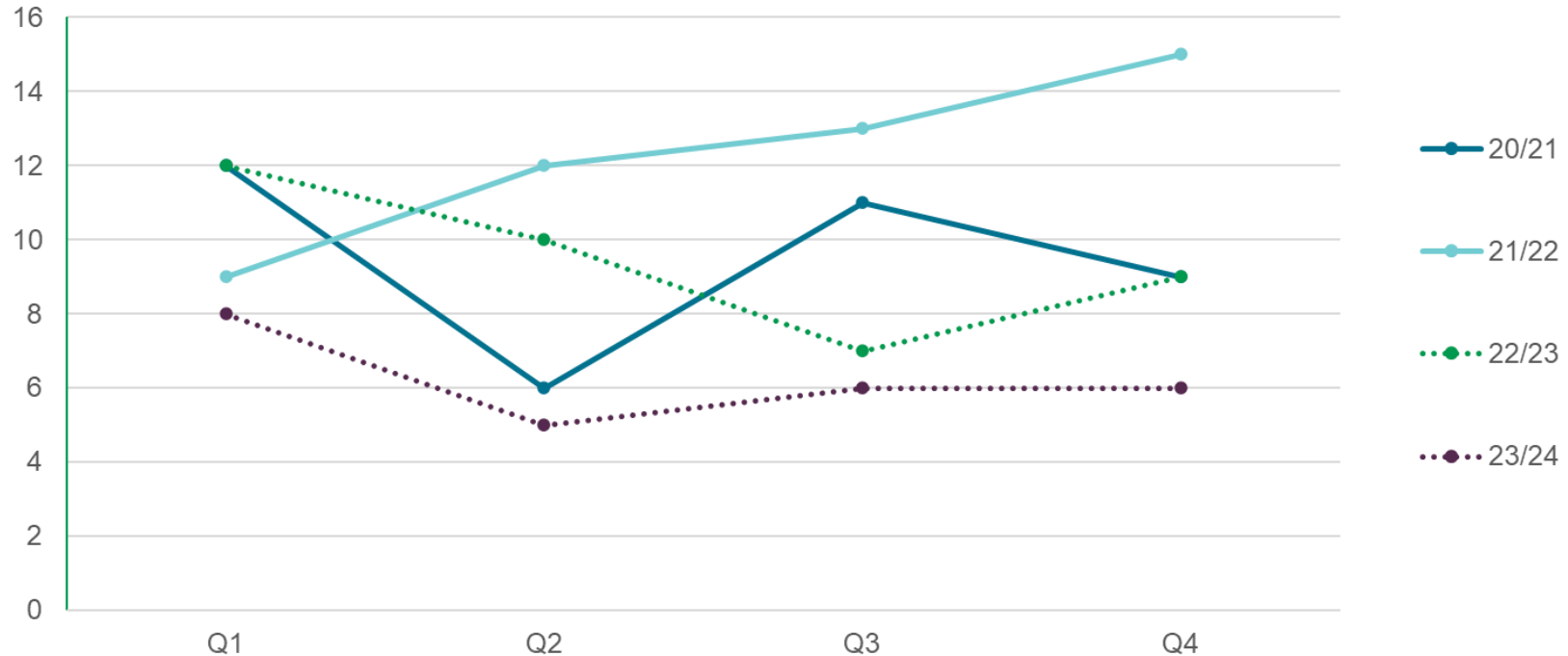
AUDITOR GENERAL 

ACCOUNTS COMMISSION 

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

Audit products per quarter since April 2020

Audit products per quarter since April 2020



What guides our planning and delivery...

Providing assurance and driving improvement

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

Taking a person- centred approach

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

Integrating cross cutting issues

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

Taking a risk-based and proportionate approach

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

Being flexible and agile

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

Interconnected themes

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ECONOMIC RECOVERY AND GROWTH

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

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

GOVERNANCE AND ACCOUNTABILITY



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

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



INNOVATION AND TRANSFORMATION

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

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



INEQUALITIES AND HUMAN RIGHTS



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

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



POLICY PRIORITIES AND COMMITMENTS

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

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

What we've delivered: September to November

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Best Value Assurance reports

Comhairle nan Eilean Siar

Statutory reports

National Records of Scotland

Briefings

Scotland's councils' approach to climate change

Tackling child poverty

Scotland's Public Finances - challenges and risks

Other audit products

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

Future of Best Value audit reporting (Blog)

Key:

Auditor General for Scotland

Accounts Commission

Joint – Auditor General and Accounts Commission

Audit Scotland

Joint – Accounts Commission and Audit Scotland

What's coming up: December to June*

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

Key:

Auditor General for Scotland

Accounts Commission

Joint – Accounts Commission and Audit Scotland

*Months in brackets in tables are indicative publication months

Summary of proposed changes to programme

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

Summary of proposed changes to programme

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

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

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

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

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

Area of focus	Latest plans
Climate change	We recognise the priority placed on climate change by the AGS and Accounts Commission. We are developing proposals for a programme of climate change audit work through to 2025/26. We have identified heat in building and sustainable transport as the two priority areas for performance audits. We will refine our proposals following the strategic review of the work programme in Q3 2022/23 and discuss proposals with the AGS on 23 January and the Accounts Commission's PA Committee on 23 February. This will inform the quarterly work programme refresh in March / April 2023.
Early learning and childcare	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.

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

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

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

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

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

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

In the pipeline: To March 2025

Innovation and transformation

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

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

In the pipeline: Q2 23/24 to March 2025

Summary of agreed products

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

In the pipeline: Q2 23/24 to March 2025

Summary of agreed products

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