

MEETING: 10 FEBRUARY 2022

REPORT BY: INTERIM CONTROLLER OF AUDIT

INTERIM CONTROLLER OF AUDIT'S UPDATE REPORT

Purpose

1. This report provides an update on my engagement activity during December 2021 and January 2022.

Engagement

2. Please note below my engagements in December and January:
 - **1 December** – Accounts Commission pre-meeting with Interim Chair, Deputy Chair and Secretary to the Commission.
 - **1 December** – Follow up meeting with Pat Kenny, Managing Partner, and Conor Healy, Audit Manager (Deloitte) for an update on issues associated with the 2020/21 audit of the Orkney and Shetland Valuation Joint Board (VJB).
 - **1 December** – Scottish Leaders' Forum (SLF) Accountability and Incentives Action Group.
 - **3 December** – Monthly engagement meeting with Secretary to the Commission.
 - **3 December** – Lynn Hendry, The Hunter Foundation – regular meeting to discuss the foundation's work, new models of public service leadership, service innovation and the role of the third sector.
 - **7 December** – Accounts Commission Best Value Working Group (BVWG) meeting.
 - **8 December** – Quarterly engagement meeting with Steve Grimmond, Chair, SOLACE Scotland. This was my final meeting with Steve before he passed the SOLACE Chair role over to Andrew Kerr (Chief Executive, City of Edinburgh Council).
 - **9 December** – Accounts Commission meeting.
 - **14 December** – Meeting with team to discuss the key themes and issues arising from the review of this year's local government Annual Audit Reports (AARs) to inform the drafting of next year's Controller of Audit (CoA) Annual Assurance and Risks Report (AARR) to the Commission.
 - **14 December** – Meeting with Kenneth Lawrie, Chief Executive, Falkirk Council, to discuss the Accounts Commission's consideration of the council's Best Value Assurance Report (BVAR) on 9 December 2021, and the council's proposed response to the improvement actions contained in the report.
 - **16 December** – East Dunbartonshire BVAR post project review with the team.

- **16 December** – Local Government Sector Forum meeting with appointed auditors (including the firms Ernst and Young, Grant Thornton International, Klynveld Peat Marwick and Goerdeler (KPMG), Deloitte, Mazars) and Professional Support.
- **16 December** – Joint Work Programme meeting with the Auditor General for Scotland (AGS), Deputy Chair of the Accounts Commission, Commission Secretary, plus Michelle Borland and Mark Roberts, Performance Audit and Best Value.
- **10 January** – Scottish Leaders' Forum (SLF) Accountability and Incentives Action Group to finalise the report which examines how accountability for delivery of the National Performance Framework (NPF) outcomes can be improved.
- **11 January** – John Mundell, Chief Executive, Orkney Islands Council, discussion on support and governance and accountability issues associated with council employees who also provide support services to joint boards (eg. Integration Joint Boards (IJBs) and Valuation Joint Boards (VJBs)).
- **12 January** – Monthly engagement meeting with Secretary to the Commission.
- **12 January** – Following the Pandemic Pound (FtPP) Steering Group meeting of key members of Audit Scotland staff involved in Covid-19 related audit work (eg. Scottish Government Consolidated Accounts, council audits, audits of Enterprise Agencies, NHS overview, S23 audit on Scotland's financial response to the Covid-19 pandemic).
- **13 January** – Regular catch-up meeting with Audit Scotland colleagues leading on the Best Value approach to IJBs (Leigh Johnston and Peter Worsdale).
- **14 January** – Scotland's financial response to Covid emerging messages discussions with AGS and sponsors (Sophie Flemig and Sheila Gunn).
- **14 January** – Meeting with Scottish Government public service reform staff (Laura Turney, Head of Public Service Reform Unit, David Milne and Jane O'Donnell, Public Service Reform and Public Bodies Division) to discuss a range of public sector reform issues.
- **17 January** – Meeting with Paul Johnston, Director-General Communities, and Stephen Kerr, Social Security Director, Scottish Government, to discuss progress with the ongoing S23 audit of the Scottish Government's implementation of its new Social Security powers with the Audit Scotland audit team.
- **17 January** – Quarterly engagement meeting with Sean Neill, Director, Local Government and Communities, Scottish Government. Topics discussed included the impact of the 2022/23 Scottish Budget on local government finances, local government support for Covid-19 recovery planning, the Local Governance Review and key Accounts Commission and Audit Scotland developments.
- **18 January** – Introductory meeting with Chair of the Accounts Commission.
- **20 January** – Scottish Funders Forum meeting (also attended by Accounts Commission member Sophie Flemig in her capacity as Chief Executive of Cattanaich) to discuss research into the future focus and opportunities for charity reserves.

- **20 January** – How we work drop-in session for all Audit Scotland staff – hosted the fifth session in Audit Scotland’s ‘How we work’ series of staff engagement events. These sessions are used to discuss working arrangements and future plans linked to the impact of, and response to, Covid-19 on Audit Scotland’s work and our staff.
- **21 January** – Introductory meeting with Andrew Kerr, Chair, SOLACE (having taken over from Steve Grimmond in December 2021). Topics discussed included SOLACE National Care Service consultation response, Covid-19 recovery planning, local government budget setting and longer-term financial planning, and key Accounts Commission and Audit Scotland developments, including future liaison with SOLACE over the new Best Value (BV) audit approach in councils and IJBs.
- **21 January** – Quarterly engagement meeting with Jennie Barugh, Director, Performance and Strategic Outcomes, and Tim Ellis, Deputy Director, Performance and Outcomes, Scottish Government, regarding performance reporting and the National Performance Framework (NPF).
- **25 January** – Attended Stephen Boyle’s Keynote event ‘Audit without borders - Sharing knowledge, experience and learning from across the UK’. Stephen was joined by Gareth Davies, Comptroller and Auditor General, National Audit Office; Adrian Crompton, Auditor General for Wales, Audit Wales; and Kieran Donnelly, Comptroller and Auditor General, Northern Ireland Audit Office. The event was chaired by Paul Johnson, Director of the Institute for Fiscal Studies (IFS).
- **27 January** – Financial Local Government Overview meeting with Accounts Commission Chair, Deputy Chair, Brian Howarth (Audit Director) and Blyth Deans (Senior Manager) to discuss the draft report.
- **27 January** – Follow up meeting from October with Audit Scotland colleagues to discuss Planning for Outcomes progress and follow up on a Strategic Scrutiny Group (SSG) action on auditing for outcomes (Richard Robinson, Senior Manager, and Carol Calder, Audit Director).
- **27 January** – Engagement meeting with Joe Griffin, Director-General, Education and Justice, Scottish Government. Topics discussed included issues associated with the ongoing and longer-term impact of Covid-19 on education and justice services in Scotland and key Accounts Commission and Audit Scotland developments.
- **31 January** – Drugs and Alcohol output draft discussion with team, AGS and sponsors (Christine Lester and Stephen Moore).

Forthcoming activities

3. My upcoming engagements in February include:

- **2 February** – Catriona MacLean, Deputy Director, Public Service Reform, Scottish Government – general six-monthly engagement meeting.
- **2 February** – Regular catch-up meeting with Audit Scotland colleagues leading on the BV approach to councils and IJBs (Fiona Mitchell-Knight, Carol Calder, and Leigh Johnston).
- **3 February** – Quarterly engagement meeting with Communications Manager.

- **4 February** – Monthly engagement meeting with Secretary to the Commission.
- **7 February** – Local Government Forum meeting.
- **7 February** – Sistema evaluation strategy meeting.
- **10 February** – Accounts Commission meeting.
- **17 February** – Accounts Commission meeting to discuss the draft Financial Local Government Overview (FLGO) report and the emerging messages for the more policy and performance-oriented Local Government Overview (LGO) report.
- **21 February** – UK&I Public Audit Forum (National Audit Office (NAO), Northern Ireland Audit Office (NIAO), Wales Audit Office (WAO), Audit Scotland) quarterly engagement meeting.
- **21 February** – Quarterly engagement meeting with Sarah Gadsden, Chief Executive, Improvement Service.
- **23 February** – New Audit Appointments (NAA) steering group meeting.
- **23 February** – Lynn Hendry, Hunter Foundation – regular engagement meeting.
- **23 February** – Introductory meeting with Louise Long, Chief Executive, Inverclyde Council, with Bill Moyes.
- **24 February** – Financial Audit and Assurance Committee and Performance Audit Committee (FAAC/PAC) meetings.

Antony Clark
Interim Controller of Audit
26 January 2022