

Dynamic work programme – Update

June 2022

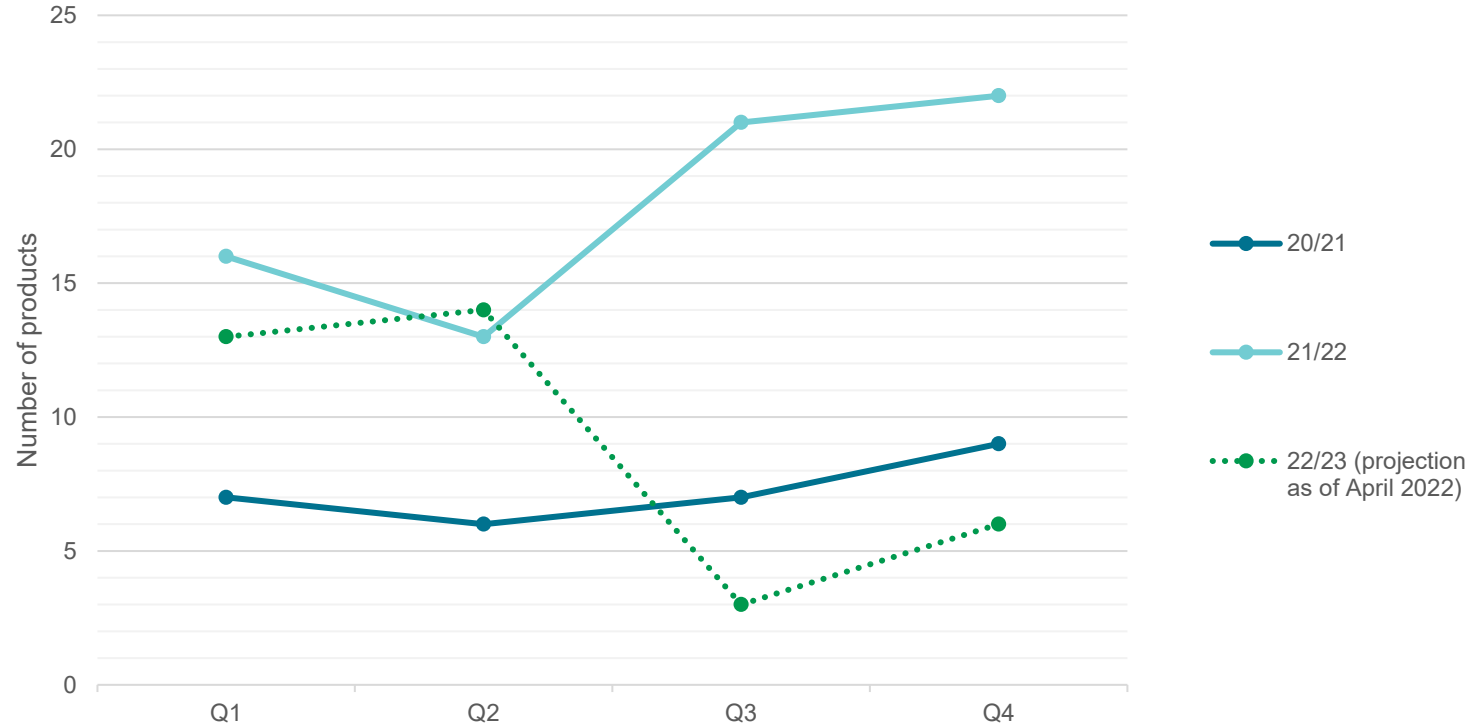
AUDITOR GENERAL 

ACCOUNTS COMMISSION 

- We delivered 19 audit products between March and May and there are a further 14 products planned between June and December, with a further three proposed products to be added to the programme as well as statutory reports to be confirmed.
- The graph on slide four shows how audit product delivery has changed between 2020/21 and 2021/22 and is forecasted to change into 2022/23. There is a noticeable decrease in products planned during Q3 this year and this reflects the increased pace of delivery during 2021/22.
- We welcome this breathing space in the programme and will consider how both the AGS and Commission can use this time to engage with their stakeholders and get messages out on key areas, potentially drawing on their back catalogue of audit work. We will need to be careful about the timing of products into Q4 2022/23 and Q1 2023/24 to ensure we don't have another peak period that puts too much pressure on colleagues as well as on the AGS and Commission members.
- We continue to ensure we allocate colleagues to R&D to inform the future work programme. Slides 11-23 outline how we are continuing to develop the longer-term work programme proposals across the portfolios.
- Where we have outlined thinking on future audit work into 2023 and beyond, 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 product delivery 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 responding to Covid-19. We will aim to provide insight and learning, and drive improvement, innovation and transformational change as Scotland moves towards recovery and 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 thinking on issues that cut across policy areas and have an impact on citizens and service users throughout our audit work. For example: prevention, digital, inequality and human rights, climate change, community engagement

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.

What we've delivered: March to May

AUDITOR GENERAL 

ACCOUNTS COMMISSION 

Best Value Assurance Reports

Moray Council: Progress report

Performance audits

New ferries for the Clyde and Hebrides

Social Security: Progress on implementing the devolved benefits

Key:

Auditor General for Scotland

Accounts Commission

Joint – Auditor General and Accounts Commission

Audit Scotland

Joint – Accounts Commission and Audit Scotland

Overview reports

Financial overview of local government 2020/21

Local government in Scotland Overview 2022 (including separate blog from Commission Chair)

Briefings

Scotland's economy: Supporting businesses through the Covid-19 pandemic

Statutory reports

Orkney & Shetland Valuation Joint Board

South Lanarkshire College

Other audit products

Addressing climate change in Scotland (report)

Drug and alcohol services: An update (briefing)

Annual Assurance and Risks Report (internal report)

Update on the Scottish Government's R100 programme (update report)

Mainstreaming equality and equality outcomes: Interim progress report (internal report)

The learner journey from school to work (eHub)

Working together to increase collaboration and accelerate improvement (blog)

Children and young people who need additional support for learning (blog)

National Fraud Initiative: Pilot evaluation on National Entitlement Cards (pilot report)

What's coming up: June to December*

Performance audits	Briefings	Other audit products
Reviewing Scotland's financial response to the Covid-19 pandemic (June)	Climate Change: Local government targets and plans (September)	National Fraud Initiative: Pilot evaluation on Non-domestic rates (June)
	Scotland's colleges 2022 (July)	Inequalities and human rights blog (June)
Best Value Assurance Reports	Statutory reports	Financial analysis of IJBs 2020/21 (June)
Angus Council (July)	Scottish Government consolidated accounts (December)	Annual fraud and irregularity report (July)
Shetland Council (August)	AGS will consider preparing other S22 reports on bodies that fall under his audit powers	National Fraud Initiative in Scotland (August)
Comhairle nan Eilean Siar (September)	Controller of Audit may decide to bring to the Commission's attention any significant issues from the auditing of the accounts of local government bodies through s102 reports. The Commission can also require the Controller to report on this basis.	Data gaps roundtable (August) and follow up product (September)
Key:		Child poverty briefing (September)
Auditor General for Scotland		Resourcing the benefit service: Thematic study (October)
Accounts Commission		Financial sustainability and implications for the fiscal framework (Q3 TBC)
Joint – Auditor General and Accounts Commission		Investing in green skills (Q3 TBC)
Audit Scotland		

*Months in brackets in tables are proposed publication months

Summary of proposed changes to programme

Change	Detail
Delaying	National Fraud Initiative in Scotland (AS): We are proposing to delay publication of the next National Fraud Initiative in Scotland report from July to August. This is due to delays receiving the required information from local audit teams and the Cabinet Office. The AGS will consider this at the end of July and the Commission will consider it at its August meeting (Ref: Slide 7)
	Climate Change: Local government targets and plans (Commission): We are still planning to bring this product to the August Commission meeting as planned, but we are pushing back publication until early September due to availability in the publications schedule. (Ref: Slide 7)
Re-framing	<p>Data governance and data ethics roundtable (AS) – We are proposing to reframe this planned roundtable in late summer 2022 to explore the issue of data gaps in the public sector in more detail and move the planned data governance and ethics roundtable into 2023.</p> <p>We know that good quality data is key for strategic decision making, transforming services, and innovation. Our recent reports and briefings, and evidence sessions at the Scottish Parliament, have highlighted the variety of data gaps that exist across the public sector and the issues this causes.</p> <p>We feel Audit Scotland has a role to play in highlighting the importance of good data, particularly in the context of decision making, service redesign and transformation. We can add value to current commentary by exploring the causes, helping identify improvements and break down barriers, and suggest actions for public sector bodies. We have had discussions with the Office for Statistics Regulation about how we could add value in this area.</p> <p>We propose our roundtable is followed up by a product in autumn 2022, which we could align timing wise with the publication of the Scottish Government's health and care data strategy. (Ref: Slide 7)</p>

Summary of proposed changes to programme

Change	Detail
Adding	Counter fraud reports (AS): We have added our routine counter fraud work that supports the work programme's governance and accountability theme. This includes the annual report on fraud and irregularity due to publish in July, which includes risks and case studies to support the Scottish public sector to prevent fraud. It also includes two National Fraud Initiative pilot reports. These pilot evaluation reports summarise outcomes and learning from recent pilot studies which looked at the potential for expanding the NFI in respect of National Entitlement Card and Small Business Bonus Scheme data. Both the pilot evaluations will also be summarised in the full National Fraud Initiative report will publish in August. (Ref: Slides 6 and 7)
	Inequalities and inclusion (AC): At its May meeting the Commission approved a promotion plan for the local government overview report. As part of this we are working with members to develop blog/vlog posts to provide more detailed insight and analysis on specific aspects or themes from the report. We have confirmed the first of these will be a blog on inequalities and inclusion and it is due to publish in June 2022. (Ref: Slide 7)

Summary of proposed changes to programme

Change	Detail
Adding	Financial sustainability and implications for the fiscal framework (AGS): A central theme, both from recent audit outputs, and expected within the Medium Term Financial Strategy (MTFS) and Resource Spending Review Framework, is financial sustainability. We have previously set out fiscal risks in our Operation of the Fiscal Framework series. We are proposing a new product that brings together outturn data, information from Covid-19 trackers and associated MTFS documents that will provide an updated position on how the fiscal framework risks are materialising and what this means for financial sustainability and budgets. We will aim to deliver this in Q3 2022/23. (Ref: Slide 7)
	Investing in green skills (AGS): We are developing proposals for an output on the Scottish Government's ambitions and funding for green skills and aim to deliver this during Q3 2022/23. (Ref: Slide 7)

In the pipeline from January 2023 to March 2024

Economic recovery and growth

Area of focus	Latest plans
Infrastructure and investment	<p>We will undertake audit work looking at the establishment of the new operating arrangements as ScotRail services move into Scottish Government ownership. We plan to report on this through the Transport Scotland annual audit report in early Q4 2022/23. We are also monitoring wider transport developments and will consider further work on transport in future, including ferries.</p> <p>Longer term, we are considering audit work on strategic capital investment, which will look at how the Infrastructure Investment Plan (IIP) is being delivered in practice. During 2022 we will undertake research and development to scope audit work in this area, which will include reviewing progress against the recommendations in our January 2020 audit on privately financed infrastructure investment and reviewing the Scottish Government's major capital projects and IIP updates alongside its Medium Term Financial Strategy and climate change plans. As part of scoping, we will focus on the IIP's strategic themes of transition to net zero, and driving inclusive economic growth.</p>
Supporting jobs, business and enterprise	<p>We are undertaking background work to scope a potential future audit on Scotland's economy. This will include exploring the Scottish Government's new 10-year strategy and the actions it has set out to transform the economy, create opportunities and address inequalities. We will bring back proposals for products later in 2022.</p> <p>We have allocated resource over summer 2022 to review developments affecting City Region and Growth Deals. We will consider how best to report these and progress against the recommendations in our 2020 report. We are keeping under review schemes designed to replace the EU Structural, Social and Agricultural Funds.</p>

In the pipeline from January 2023 to March 2024

Economic recovery and growth

Area of focus	Latest plans
Public finances	We will continue to monitor the overall position of devolved public finances, including the fiscal framework review and risks to financial sustainability. During 2022/23 we will deliver our usual annual commitments including the internal budget briefings for the AGS and Commission, as well as the Administration of Scottish Income Tax 2021/22 report on behalf of the AGS. We will continue to engage with the NAO about audit assurance on UK-led spending in Scotland around shared prosperity and levelling up.
Skills and training	We are monitoring the impact of the performance audit report on Planning for skills, which was published on 20 January 2022 and was considered by the Public Audit Committee (PAC) on 10 February 2022. The Minister for FE, HE, Youth Employment and Training welcomed the report and accepted all of the recommendations. We will support the PAC in any further scrutiny of the report and will monitor progress against the recommendations as part of the annual audits of SDS and the SFC. We are also considering skills through our wider cross-cutting work on climate change and digital. We are currently developing proposals for potential future work in this area.

In the pipeline from January 2023 to March 2024

Area of focus	Latest plans
Climate change	In June we will discuss with the AGS the potential scope of a performance audit on Scottish Government arrangements for delivering its climate change plan, leadership and progress to date, for publication in Q4 2022/23. We are also considering the added value of developing a data tool to improve transparency and scrutiny of progress on climate change, and the potential scope and timing of this work. We may develop this as an internal tool initially, to support local auditors in considering climate change in annual audit work. As well as work to integrate climate change into the annual audits and performance audit work, we are developing a longer-term programme of climate change focused work, which we will discuss with the AGS and AC in autumn 2022.
Early learning and childcare	The next joint performance audit in this series will look at whether the expansion in funded early learning and childcare was delivered as planned, how much it cost and the planning to evaluate the impact of the expansion. We plan to report in Q1 2023/24. In the longer term we will look at the impact of the expansion and focus on assessing whether the investment 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.
Court backlogs	Responding to the backlog will require careful coordination, as any increase in the capacity and throughput of the courts is likely to have implications for other parts of the justice system, including prisons and community justice. We are currently pre-scoping options for an audit on court backlogs and its implications, including data analysis and initial conversations with key stakeholders. We are speaking to the AGS about the potential scope in early July 2022 and aim to publish the audit during Q1 2023/24.

In the pipeline from January 2023 to March 2024

Area of focus	Latest plans
Social care	Following publication of the social care briefing in January 2022, we are planning to deliver a series of themed joint performance audits on social care starting this year. We will bring proposals on thematic work focused on action taken to address the critical issues in delivery of social care services highlighted in the briefing. For example: workforce capacity, service quality and outcomes. We will need to be flexible on the timing for this and it is likely it won't start until Q2 of 2022/23.
Health and social care integration	We will start our next and third joint health and social care performance audit in early 2023. We will scope this in conjunction with the Commission and the AGS, but suggest using it to inform the development of the National Care Service and related reforms, looking at what has worked well and what has not worked so well, and showcasing good practice. We could also look at current performance and the outcomes being achieved (or not) to set a baseline against which we could monitor performance in the future following the reforms that are due to take place in 2026.
National Care Service	We are developing a programme of audit work that will run alongside the development and rollout of the new NCS, focusing on Scottish Government's planning and preparations. This will reflect the likely impact of the NCS on IJBs and the quality of services they provide, as well as monitoring and reporting on the risks and challenges created by the NCS. Our audit work will provide a vehicle through which any issues arising from the Scottish Government's failure to meet the planned 2026 deadline can be publicly reported. We anticipate scoping the first product in this programme during 2023/24.

In the pipeline from January 2023 to March 2024

Area of focus	Latest plans
Drug and alcohol services	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 areas in the next 12-18 months. 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.
Community justice: Sustainable alternatives to custody	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. During 2022 we will continue to monitor this area and plan to deliver a joint performance audit in 2023. 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.

In the pipeline from January 2023 to March 2024

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 (LOIPs) and locality planning are supporting improved National Performance Framework (NPF) 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 through school education through ongoing cluster monitoring and stakeholder engagement.</p>

In the pipeline from January 2023 to March 2024

Area of focus	Latest plans
Mental health	<p>We have scoped our joint performance audit on adult mental health services and are in the process of agreeing this with AGS and the Commission, with the intention to report during Q4 2022/23.</p> <p>We will seek to incorporate the views of people with lived experience of mental health issues and accessing mental healthcare as part of our audit work. We will do this with the help of third sector organisations such as the Scottish Association for Mental Health and the Health and Social Care Alliance Scotland.</p>
Digital exclusion and connectivity	<p>We are planning to publish a joint performance audit in 2023/24 on how the public sector is addressing digital exclusion and connectivity. We will start scoping it this summer. We will consider how we can engage with citizens as part of this audit during scoping. We will also continue to look at digital exclusion through other audit work, such as overviews and our community empowerment work.</p>
Child poverty	<p>The September 2022 joint briefing will look at the progress made in achieving the targets in the Child Poverty Act. This includes looking at new plans and actions the Scottish Government is putting in place with local government and their partners to mitigate the new risks in this area created by Covid-19. We are considering links with wider policy areas such as social security. After the briefing is published, we will develop options for a full performance audit. Future audit work relating to services for children and young people will also consider links with child poverty.</p>

In the pipeline from January 2023 to March 2024

Area of focus	Latest plans
Children and young people with additional support needs	We have allocated resource to research and development during summer 2022 to consider options for a full performance audit in this area. 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 is planning thematic work on ASN and we will continue to engage with them about the potential for joint work and to ensure the timescales for our work maximise its 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 monitor the impact of the performance audit published in May 2022 and continue to monitor the transfer of social security powers to Scotland. We will consider how this informs other audit areas, such as child poverty and inequalities, and whether we should produce any further outputs in this area.

In the pipeline from January 2023 to March 2024

Area of focus	Latest plans
Local government overview reporting and auditing local services (AC)	<p>We are monitoring the impact of the 2020/21 local government overview reports published in March and May 2022 and will monitor the impact of the financial analysis of IJBs due in June 2022.</p> <p>We have agreed to provide the Commission with options for how they take forward local government overview reporting later this year, which would come into effect from 2024 onwards. One option is to deliver a biennial local government overview with performance audits on local services in intervening years.</p> <p>In the meantime we will produce a local government overview of the 2021/22 annual accounts in Q1 2023/24. This will focus on Covid recovery into renewal. Working with sponsors we have proposed delivering a local government financial bulletin in December 2022 rather than a financial local government overview in early 2023. This will be discussed at the June Commission meeting.</p>

In the pipeline from January 2023 to March 2024

Area of focus	Latest plans
NHS reporting (AGS)	<p>Traditionally, the AGS has produced an annual overview report on the NHS in Scotland. These reports have provided a high-level summary of service and financial performance in the NHS, as well as highlighting key issues affecting NHS services. Our NHS in Scotland 2020 and 2021 reports focussed on the response to, and recovery from, the Covid-19 pandemic. The NHS in Scotland 2021 report also stated the need for the NHS to reform so that service delivery could be more sustainable.</p> <p>With the way health and care services are delivered expected to change, it is important that we adapt our audit approach. Rather than a wide-ranging and high-level overview, we plan to have more impact by carrying out more detailed assessments of specific programmes of work. In 2022 we propose to move from the traditional format of a general overview report and to focus instead on the Scottish Government's NHS Recovery Plan. This audit will facilitate a deep dive into the Recovery Plan to assess its progress and future deliverability. In future years we would propose to produce similar detailed annual outputs focussing on different priority themes.</p>

In the pipeline from January 2023 to March 2024

Innovation and transformation

Area of focus	Latest plans
Best Value assurance reporting (AC)	<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 until the point at which the NCS becomes operational and IJBs become Community Health and Social Care Boards (CHSCBs).</p>
Policing (AGS)	<p>The AGS is interested in Best Value work on policing during the next audit appointment round. We have allocated resources to R&D work on policing over summer 2022 to inform the potential scope and approach to this work.</p>

In the pipeline from January 2023 to March 2024

Innovation and transformation

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.</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 have proposed moving the planned data ethics and governance roundtable from summer 2022 to summer of 2023 and reframing this year's roundtable to explore the issue of data gaps across the public sector. Addressing data gaps and quality is essential if public sector bodies intend to use AI more. The 2023 session will explore 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 from January 2023 to March 2024

Area of focus	Latest plans
Following the pandemic pound (Joint)	In 2022/23 we anticipate moving into the recovery phase of our approach to following the pandemic pound, which will assess the wider impact on public finances of recovery from a pandemic. We will review the impact of our performance audit on reviewing Scotland's financial response to the Covid-19 pandemic and propose how best to follow up, looking at changing budget headings and spending considerations as well as financial management and sustainability.

In the pipeline from January 23 to March 24: Summary of agreed products

Product	Type	Author	Quarter
Local government finances 2021/22	TBC	Accounts Commission	Q4 22/23
Scottish Government climate change plan: Delivery arrangements	TBC	AGS	Q4 22/23
Adult mental health	Performance audit	Joint – AGS and Commission	Q4 22/23
Administration of Scottish Income Tax 2021/22	Report	AGS	Q4 22/23
NHS in Scotland 2022: Scottish Government's NHS Recovery Plan	Overview	AGS	Q4 22/23
AGS budget briefing	Internal report	AGS	Q4 22/23
Local government budget briefing	Internal report	Accounts Commission	Q4 22/23
Annual Assurance and Risks Report	Internal report	Accounts Commission	Q4 22/23
Court backlogs	Performance audit	AGS	Q1 23/24
Digital exclusion and connectivity	Performance audit	Joint – AGS and Commission	Q1 23/24
Early learning and childcare (follow up)	Performance audit	Joint – AGS and Commission	Q1 23/24
Challenges and performance LGO 2023	Overview	Accounts Commission	Q1 23/24

In the pipeline from January 23 to March 24: Summary of agreed products

Product	Type	Author	Quarter
Legacy thematic summary of BV best practice	TBC	Accounts Commission	Q2 23/24
Data governance/ethics	Roundtable	Audit Scotland	Q2 23/24
Administration of Scottish Income Tax 2022/23	Report	AGS	Q4 23/24
Local government finances 2022/23	TBC	Accounts Commission	Q4 23/24
AGS budget briefing	Internal report	AGS	Q4 23/24
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
Social care	Performance audit	Joint – AGS and Commission	TBC
Sustainable alternatives to custody	Performance audit	Joint – AGS and Commission	TBC
Health and Social Care Integration	Performance audit	Joint – AGS and Commission	TBC
Drug and alcohol services	Performance audit	Joint – AGS and Commission	TBC