

Dynamic work programme – Update

September 2022

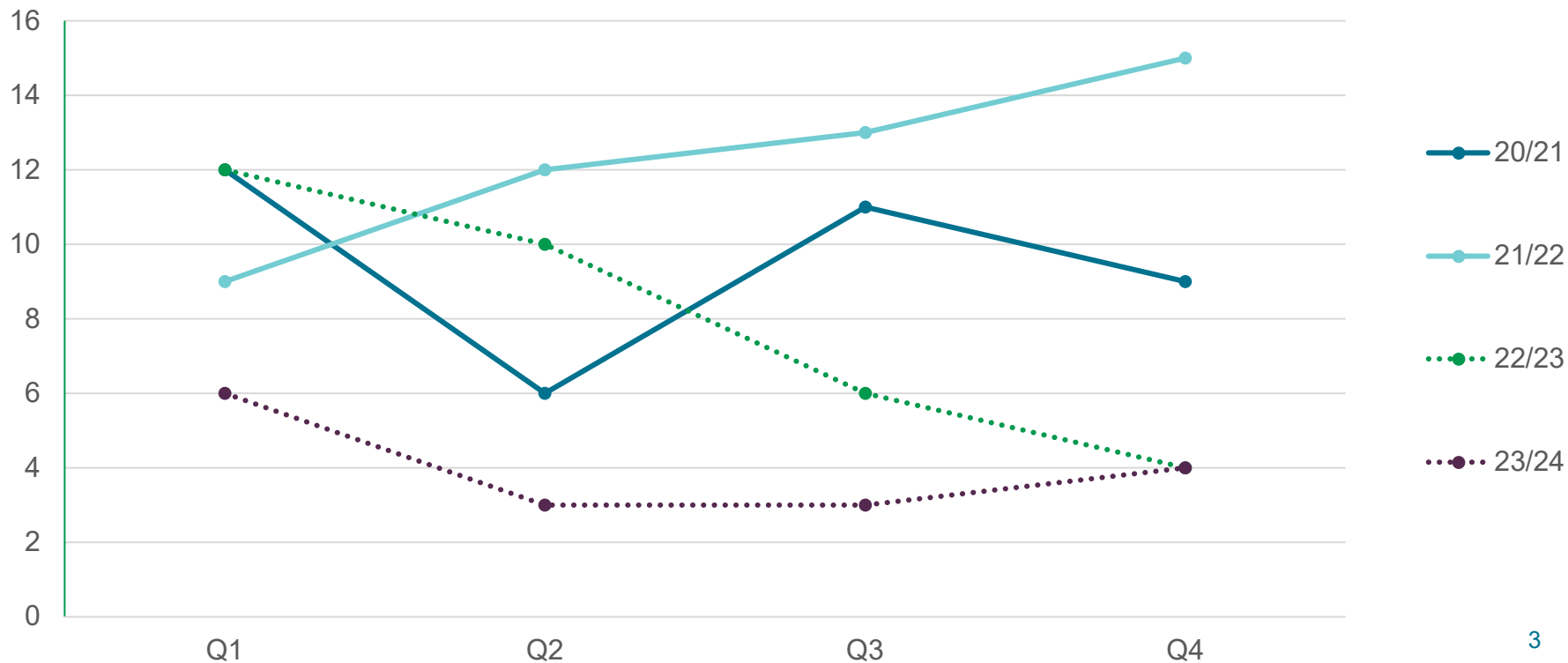
AUDITOR GENERAL 

ACCOUNTS COMMISSION 

- We delivered nine audit products between June and August and there are a further 17 products planned between September and March (including one planned S102 report).
- The graph on slide three shows how audit product delivery has changed between 2020/21 and 2021/22 and is forecasted to change this year and next. We expect the overall number of products to decrease this year and next as we shift back to delivering more full performance audits and fewer briefings and blogs.
- Alongside audit delivery we are working on wider developments to the work programme, including:
 - Undertaking a strategic review of the work programme to ensure it reflects current risks and issues facing public services
 - Implementing the new approach to impact monitoring, evaluation and reporting
 - Improving data on resource deployment across the programme to support decision making
 - Developing our approach to service user involvement in our audit work
- We also continue to invest in R&D to inform the future work programme. Slides 9-19 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

AUDITOR GENERAL 

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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

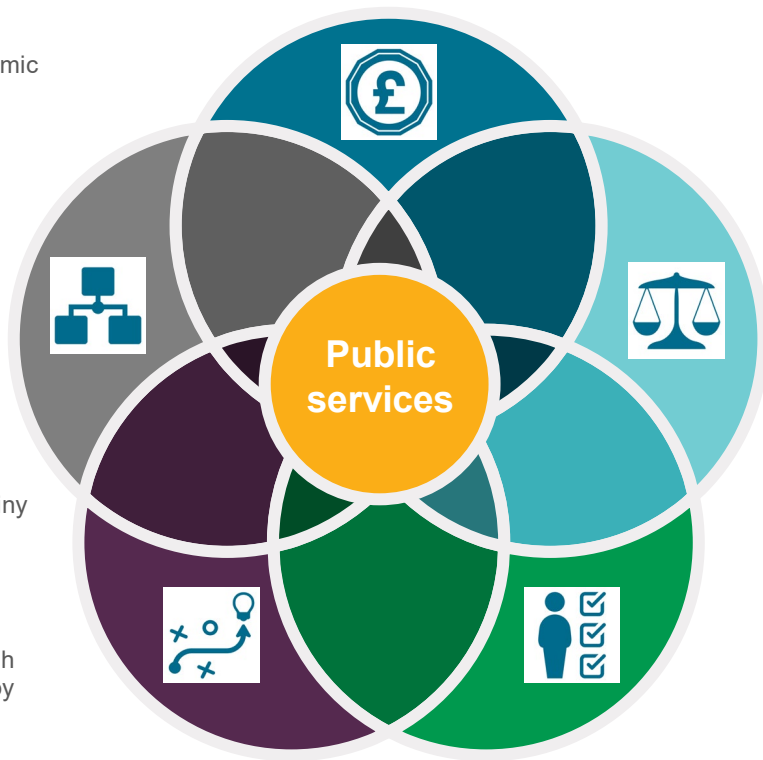
- Collaborative leadership
- Annual audits
- Fraud risks
- Effective scrutiny



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: June to August

AUDITOR GENERAL 

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Best Value Assurance reports

Angus Council

Shetland Islands Council

Performance audits

Scotland's financial response to Covid-19

Briefings

Integration Joint Boards: Financial Analysis 2020/21

Scotland's Colleges 2022

Other audit products

National Fraud Initiative: Pilot evaluation on Non-domestic rates (Pilot report)

Inequalities in Scotland: A growing crisis of harms (LGO promotional blog)

Annual fraud and irregularity report 2021/22 (Annual report)

National Fraud Initiative in Scotland (Report)

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: September to March*

Best Value Assurance reports

Comhairle nan Eilean Siar (September)

Overview reports

NHS in Scotland 2022: Scottish Government's NHS Recovery Plan (February)

Briefings

Scotland's councils' approach to climate change (September)

Tackling child poverty (September)

Financial sustainability and implications for the fiscal framework (November)

Local government financial bulletin 2021/22 (January)

Planning for green skills (January)

Statutory reports

National Records of Scotland (November)

Scottish Government consolidated accounts (December)

The CoA has committed to preparing an update S102 report on Glasgow City Council's progress in implementing its new pay and grading system and resolving new and outstanding Equal Pay claims. The Commission can also require the Controller to report on any issues arising from the auditing of local government accounts.

Key:

Auditor General for Scotland

Accounts Commission

Joint – AGS and Commission

Audit Scotland

Other audit products

Data gaps roundtable (September) and follow up product (October)

Four nations climate change (Q3 TBC)

Resourcing the benefit service: Thematic study (December)

Administration of Scottish Income Tax 2021/22 (January)

AGS budget briefing (Internal) (February)

Local government budget briefing (Internal) (February)

Annual Assurance and Risks Report (Internal) (March)

*Months in brackets in tables are indicative publication months

Summary of proposed changes to programme

| Change | Detail |
|----------|---|
| Delaying | Data gaps roundtable (AS): We have delayed this product from August to September due to resource capacity and to ensure we secure a suitable date that key panel members can attend. We are now aiming for mid to late September with a follow up product planned for the end of October. (Ref: Slide 7) |
| | Resourcing the benefit service (Commission): We have delayed this product from October to December due to issues with data availability. (Ref: Slide 7) |
| | Green skills (AGS): We decided to delay this product from December until January to allow space in the publications schedule for statutory reporting and ensure it has more of an immediate impact (Ref: Slide 7) |
| Removing | Following the pandemic pound: We propose removing this as a specific area of focus for the work programme. We are now 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. Covid-19 response, recovery and renewal will continue as key contextual factors but no longer frame our audit work. |

Summary of proposed changes to programme

| Change | Detail |
|--------|--|
| Adding | Four nations climate change (AS): We working with the other UK audit agencies to map out the different national legislative frameworks and targets to tackle climate change and identify devolved and reserved powers. We are discussing the timing and logistics for publishing a joint output with the other audit agencies and will share draft proposals with the AGS and Accounts Commission Chair in due course. (Ref: Slide 7) |
| | Covid-19 finances follow-up (TBC): In the spring of 2023, once all the 2021/22 financial audits are completed, we propose producing a short follow-up report to the joint performance audit on Scotland's financial response to Covid-19. This will summarise what we know about how reserves levels have changed and the latest position on financial sustainability challenges. (Ref: Slide 10) |
| | Homelessness (Joint): In 2024 we propose undertaking audit work on homelessness, providing an overview across Scotland and highlighting the learning from the pandemic emergency response. This is to replace planned audit work on housing, which we have determined would not add value at this time. (Ref: Slide 16) |

In the pipeline: To 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 and sustainable transport.</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 economic development and growth | <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> |

| Area of focus | Latest plans |
|-----------------|--|
| Public finances | <p>As the direct financial and funding implications of the pandemic reduce, we are proposing to shift 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 recent 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>The performance audit on Scotland's financial response to Covid-19 highlighted the use of reserves to manage Covid-19 funding between years, and the need to improve transparency in reporting. It also echoed other reports on the financial sustainability and spending challenges that lie ahead, especially as specific Covid-19 funding has now ended. In the spring of 2023, once all the 2021/22 financial audits are completed, we propose producing a short product summarising what we know about how reserves levels have changed and the latest position on financial sustainability challenges.</p> |

In the pipeline: To 2024

Economic recovery and growth

| Area of focus | Latest plans |
|---------------------|--|
| Skills and training | <p>We are monitoring the impact of our performance audit report on Planning for skills and will report 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>Our planned briefing paper on the Scottish Government's ambitions for 'green skills' will help inform R&D and identify specific areas for potential future audit work. We are developing a proposal for a future performance audit on skills that will build on the foundation laid by our Planning for skills audit and is likely to look at the provision side of the skills system.</p> |

In the pipeline: To 2024

| Area of focus | Latest plans |
|------------------------------|---|
| Climate change | We recognise the priority placed on climate change by the AGS and Accounts Commission. We are undertaking research and development, taking feedback from stakeholders into account, and aim to develop proposals for future audit work to discuss with the AGS and Accounts Commission Chair during Q4 2022/23. We are currently scoping a performance audit on the Scottish Government's governance and risk management arrangements for climate change and will aim to publish this in April 2023. |
| 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 plan to publish a performance audit report on the courts backlog in May 2023. |

In the pipeline: To 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 performance audits on social care. 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. The focus of these will be on actions to address these issues now in advance of the National Care Service (NCS) being established. We will need to consider how the scope best sits alongside planned performance audit work on health and social care integration and the NCS. |
| Health and social care integration | We will start our next and third health and social care performance audit in 2023. We will scope this in conjunction with the Commission and the AGS, but we 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 on Scottish Government's planning and preparations for the new NCS. This work will run alongside the development and roll out of the service. This work will monitor and report on the risks and challenges created by the new NCS and progress with meeting the commitments set out in the NCS Bill. It will provide a vehicle through which any issues arising from the Scottish Government's failure to meet the planned 2026 deadline could be publicly reported. We anticipate scoping the first product in this programme during 2023/24. |

In the pipeline: To 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 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. |
| 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 2023/24. 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. |

| Area of focus | Latest plans |
|--------------------------|---|
| Housing and homelessness | <p>The AGS and the Chair of the Accounts Commission have signalled their interest in affordable housing. We produced our last report on affordable housing in 2020 relating to the last Scottish Government target of 50,000 units. Our ongoing monitoring indicates that this target was reached in June 2022. The Scottish Government has since developed a strategic Housing to 2040 route map. It has committed to delivering 110,000 affordable homes by 2032, with 70% of these for social rent and 10% in rural and island communities. It is not clear what value we could add at this point by undertaking a further audit.</p> <p>This is reflected in discussions with stakeholders in the sector and there is a view that an overview of homelessness, which has an impact on the supply of affordable housing, would be of more 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. We would propose a report on homelessness, providing an overview across Scotland and highlighting the learning from the pandemic emergency response, as an alternative to audit work on affordable housing. Our work on the picture of homelessness across Scotland would support priorities around inequalities, human rights, access and affordability. 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 (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 for young people through school education through ongoing cluster monitoring and stakeholder engagement.</p> |

| Area of focus | Latest plans |
|------------------------------------|---|
| Mental health | <p>We have now agreed the scope of our next mental health performance audit, due for publication in summer 2023. This audit will look across the wide range of services that aim to support and improve the mental health and wellbeing of adults in Scotland. We will also consider the impact of Covid-19 throughout the audit. The overall aim of this performance audit is to answer the question: How effectively are adult mental health services across Scotland being delivered?</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>After the Tackling child poverty briefing is published in September, 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> |

| 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 (ES) is planning thematic work on ASN with timescales to be confirmed. 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 |
|--------------------------|---|
| Gender pay gap reporting | <p>We have identified through our financial audit work inconsistencies in how public bodies are calculating and reporting gender pay gap data. Scottish public bodies have been required to publish information on their gender pay gap since 2013 as part of their Public Sector Equality Duty (PSED) under the Equality Act 2010. However, there is no standardised methodology or guidance for how this should be calculated and reported. The Scottish Government consulted on the effectiveness of the PSED in Scotland earlier in 2022 and is due to publish the results in Autumn 2022, but do not expect to make changes to regulations until 2025. We are currently engaging with the Scottish Government, Equalities and Human Rights Commission and Close the Gap to explore the possibility of publishing a short update on issues with reporting, and the importance of using the data to inform improvements and share good practice.</p> |

| Area of focus | Latest plans |
|---|---|
| Local government overview reporting and auditing local services | <p>In June 2022 the Commission agreed to replace the financial overview of local government report with a facts and figures financial bulletin. We will aim to publish this in December each year to help inform council budget setting. However this will publish in January 2023 due to an extension to the sign off deadlines for annual accounts. The wider financial narrative will be included in the local government overview (LGO) in the spring of 2023.</p> <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> |
| 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 2024

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). This will</p> |
| Policing | <p>The AGS is interested in Best Value work on policing during the next audit appointment round. We have allocated resources to research and development work on policing over autumn 2022 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.</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 a data ethics and governance roundtable in the summer of 2023 which 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: To 2024

Summary of agreed products

| Product | Type | Author | Quarter |
|--|-------------------|---------------------------------------|----------|
| Mainstreaming equality: progress report 2021-23 | Statutory report | Joint – Audit Scotland and Commission | Q1 23/24 |
| Scottish Government climate change plan: Delivery arrangements | Performance audit | AGS | Q1 23/24 |
| Challenges and performance LGO 2023 | Overview | Accounts Commission | Q1 23/24 |
| Adult mental health | Performance audit | Joint – AGS and Commission | Q1 23/24 |
| Court backlogs | Performance audit | AGS | Q1 23/24 |
| Early learning and childcare (follow up) | Performance audit | Joint – AGS and Commission | Q1 23/24 |
| Data governance/ethics | Roundtable | Audit Scotland | Q2 23/24 |
| Legacy thematic summary of BV best practice | TBC | Accounts Commission | Q2 23/24 |
| Health and Social Care Integration | Performance audit | Joint – AGS and Commission | Q2 23/24 |
| Social care | Performance audit | Joint – AGS and Commission | Q3 23/24 |
| Digital exclusion and connectivity | Performance audit | Joint – AGS and Commission | Q3 23/24 |
| Local government finances 2022/23 | Briefing | Accounts Commission | Q3 23/24 |

In the pipeline: To 2024

Summary of agreed products

| Product | Type | Author | Quarter |
|---|-------------------|----------------------------|----------|
| Administration of Scottish Income Tax 2022/23 | Report | AGS | Q4 23/24 |
| Sustainable alternatives to custody | Performance audit | Joint – AGS and Commission | Q4 23/24 |
| Drug and alcohol services | Performance audit | Joint – AGS and 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 |