

Purpose

1. The purpose of this report is to provide an update to the Commission on my significant recent activities, including internal and external engagements.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
 - The Secretary's update report to the Commission, updating the Commission on the public policy landscape. We have recently revised that report and my monthly update is intended to complement the Secretary's update report.
 - An update on issues relating to local government prepared by me which is considered by the Commission's Financial Audit and Assurance Committee.
3. Since our last meeting I have continued to focus on the three key themes I outlined in February: building relationships; ways of working; and strengthening my understanding of the wider landscape and the work programme.

Recommendations

4. The Commission is invited to:
 - Note this report and consider any implications for its work programme.

External engagements

5. Significant external engagements this month include:
 - I joined the Chair, Vice-Chair and Andrew Burns at their meeting with the COSLA Presidential team where we had a good discussion on strategic priorities, including climate change (20 February)
 - I also met with all appointed auditors for Local Government where we discussed the work underway to scope annual audits and build relationships at the commencement of their new audit appointments. We discussed the challenges of the audit timetable this year and I hope to bring this to a future discussion of the Commission once audit plans have been completed (22 February).

Internal engagements and developments

6. I have continued my programme of introductory meetings, meeting Commissioners and Audit Scotland staff and I have now also reached out to all council Chief Executives and Directors of Finance to begin scheduling introductory meetings.

7. I presented the current issues report to the Finance and Audit Committee for the first time this month and look forward to jointly presenting the Annual Assurance and Risk Report at this meeting with the outgoing Interim Controller of Audit as part of our continued transition and handover.
8. I continue to invest time in strengthening my understanding of how Audit Scotland works as an organisation to support the Commission. I've been working with the Commission Support Team to strengthen our support arrangements to the Commission, ensuring a clear understanding of roles and responsibilities and ways of working. One of the early areas that the Interim Secretary and I will want to reflect on is the regular reporting the Commission receives across its key interests at both full Commission meetings and at committees; we will be seeking Commissioners views on this in due course.

Strategic issues

9. My statutory role includes developing aspects of the wider audit framework. Work on the next iteration of Best Value reporting is due to be considered at the next meeting of the Best Value Working Group (29 March) and I hope to be able to update the Commission on how this is developing in due course.
10. I intend to regularly update the Commission on strategic issues across the local government sector. My recent current issues in councils report to the Financial Audit and Assurance Committee provided an update of issues facing Scottish councils but members may wish to note the following items which have formed part of my wider intelligence monitoring of developments across the UK local government sector:
 - On 02 February the UK Government [confirmed](#) they had chosen CIPFA, along with Grant Thornton and the Good Governance Institute to carry out “targeted external assurance reviews”, aiming to present a comprehensive picture of the challenges, risks and issues local authorities are facing. This includes the impact of rising inflation, economic uncertainty, increased service demand and the continuing effects of Covid-19. The evidence gathered will inform any further actions the Department for Levelling Up, Housing and Communities believes are necessary.
 - On 10 February Bournemouth, Christchurch and Poole Council’s external auditors, Grant Thornton, [published](#) a letter setting out their concerns around the position currently being articulated by the Leader of the Council, Drew Mellor, who resigned three days later. In the letter they warned the authority that they could be hit by a statutory recommendation or public interest report, if it failed to follow a “more traditional” budget setting approach.