

Strategy and work programme: Work programme update - September 2023

Executive Director of Performance Audit and Best Value

Item 6
Meeting date: 13 September 2023

Purpose

1. This paper introduces the joint Auditor General for Scotland (AGS) and Accounts Commission work programme update.

Recommendations

2. The Commission is invited to:
 - note the progress delivering the work programme from June 2023 to August 2023 (slide 3 of Appendix one)
 - note the planned products up to March 2024 (slides 4-5 of Appendix one)
 - agree the additions proposed to the programme (slides 6-7 of Appendix one)
 - feedback on confirmed and pipeline audit work to June 2025 (slides 8-11 of Appendix one), noting that this is flexible and can be revisited as part of future work programme updates.

Background

3. In April 2021 the AGS and the Commission agreed a joint dynamic work programme. We published this on the Audit Scotland website on 24 May 2021, updating for changes since then. This is the ninth quarterly update of the programme and the next update will be in December 2023.
4. In August 2023 the Commission discussed strategic priorities for its work programme, the overall balance of its audit products and the allocation of resources across the programme. Outcomes from this discussion are being refined for further consideration and approval by the Commission.
5. This update is therefore more narrowly focused than normal – summarising recent products and proposing changes with a short-term impact. The update also summarises the resource impact of proposed additions, building on resourcing information considered at the strategy seminar. A broader assessment of the work programme against the Commission's updated strategic priorities will be set out in the December 2023 update.

Considerations

6. Appendix one presents the work programme update. It aims to provide one report that meets the needs of the AGS and Commission, with clarity on who is producing which products and when. It includes:
- **What we've delivered:** From June 2023 to August 2023.
 - **What's coming up:** Planned audit products from September 2023 to March 2024 and agreed and pipeline audit products from April 2024 to June 2025.
 - **Decisions required:** Proposed changes to the programme.
7. In this update we have proposed adding five new Commission products to the programme. This includes two joint performance audits (sustainable transport and climate change adaptations), one joint briefing (additional support for learning) and two Commission blogs (social care and workforce). The estimated costs of these products are summarised in the table below.

Proposal	Estimated cost 2023/24 £000	Estimated cost 2024/25 £000	Total estimated cost £000
Add: sustainable transport joint PA	35	90	125
Add: climate change adaptations joint PA	28	85	113
Add: additional support for learning joint briefing	29	29	58
Add: social care blog	10	-	10
Add: workforce blog	-	15	15
Total	102	219	321

Note: Where a product is published jointly with the AGS the 50% of the estimated costs are assigned to the Accounts Commission and are shown above.

8. The annual capacity available for the Commission's work programme is £1,760k. Agreeing to these proposals would commit a further £102k in 2023/24 and £219k in 2024/25. This would bring total estimated commitments to £1,742k in 2023/24 and £1,235k in 2024/25. This means that available capacity for potential products would be £18k in 2023/24 and £525k in 2024/25. These amounts reflect the estimated costs of all products previously approved.
9. The Performance Audit Committee discussed potential future audit work on climate change at its meeting on 23 February 2023. Proposals to add performance audits on sustainable transport and climate change adaptations reflect those discussions.
10. The Performance Audit Committee discussed a cluster briefing on Justice, Education and Lifelong Learning, local government workforce and social care at its meeting on 24 August 2023. Proposals to add a briefing on additional support for learning and blogs on workforce and social care reflect those discussions.

11. In line with existing practice, the approval of proposals for the addition of joint products to the work programme is subject to agreement with the AGS.

Reviewing and resourcing the work programme

12. We have been working closely with the Controller of Audit and the Commission support team on how best to bring together a strategic overview of the Commission's work programme, developing stronger links between the audit products, and the Commission's assessment of audit risks and its strategic priorities. This was a key area of focus for the Commission's strategy seminar in August 2023.
13. As the Commission finalises the articulation of its strategic priorities, we will analyse how the current programme and work in the pipeline aligns with these. This will inform the development of options for utilising the remaining headroom in the programme during 2023/24 and 2024/25 and any attenuation that may be required, for the consideration of the Commission. This may include replacing, rescheduling or re-sizing products currently included in the work programme. We plan to include this analysis in our December 2023 update.
14. Other potential developments affecting the work programme discussed at the strategy seminar will be brought forward for the Commission's detailed consideration at future meetings. In advance of that no changes have been made to the existing programme as set out in this update, or in the assessment of resource commitments above.
15. We continue to improve and refine our budget and cost data for performance audit and Best Value work, building on the prototype shared at the strategy seminar. The marginal cost of proposed changes to the programme has been incorporated into this update for the first time. We will continue to develop our approach in future updates in line with discussions at the strategy seminar.