

476th meeting of the Accounts Commission for Scotland

**Thursday 11 February 2021, 10.15am
by video conference**

Agenda

1. **Apologies for absence**
2. **Declarations of interest**
3. **Order of business**

The Chair seeks approval of business, including proposing taking items 10 to 14 in private (** see note).

Business requiring decisions in public

4. **Minutes of meeting of 14 and 28 January 2021**
5. **Audit Scotland Board update**
Report by the Secretary.
6. **Community empowerment: briefing**
Report by the Audit Director, Performance Audit and Best Value.

Business for information in public

7. **Secretary's update report**
Report by the Secretary.
8. **Interim Chair's update report**
Report by the Interim Chair.
9. **Controller of Audit's update report**
Verbal update.

Business requiring decisions in private

10. **Scottish Government consultation on Code of Conduct for councillors – draft response**
Report by the Secretary.
11. **Scottish Government consultation on Code of Conduct for members of public boards – draft response**
Report by the Secretary.
12. **Best Value update**
Report by the Secretary.

Business for information in private

13. **New audit appointments update**
Report by the Interim Chair.

Any other business

14. Any other business

The Chair will advise if there is any other business to be considered by the Commission.

** It is proposed that items 10 to 14 be considered in private because:

- Item 10 proposes a draft response to a consultation exercise which the Commission is to consider before publishing.
- Item 11 proposes a draft response to a consultation exercise which the Commission is to consider before publishing.
- Item 12 requires the Commission to consider confidential policy matters.
- Item 13 requires the Commission to consider confidential commercial and contractual matters.
- Item 14 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Interim Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

The following papers are enclosed for this meeting:

Agenda item	Paper number
Agenda item 4: Minutes of meeting of 14 and 28 January 2021	AC.2021.2.1
Agenda item 5: Report by Secretary to the Commission	AC.2021.2.2
Agenda item 6: Report by Audit Director, Performance Audit and Best Value	AC.2021.2.3
Agenda item 7: Report by Secretary to the Commission	AC.2021.2.4
Agenda item 8: Report by Interim Chair	AC.2021.2.5
Agenda item 10: Report by Secretary to the Commission	AC.2021.2.6
Agenda item 11: Report by Secretary to the Commission	AC.2021.2.7
Agenda item 12: Report by Secretary to the Commission	AC.2021.2.8
Agenda item 13: Report by Interim Chair	AC.2021.2.9

MEETING: 11 FEBRUARY 2021

MINUTES OF PREVIOUS MEETING

Minutes of the 475th meeting of the Accounts Commission held via online meeting on Thursday 14 and 28 January 2021, at 9.30am.

PRESENT: Elma Murray (Interim Chair)
Andrew Burns
Andrew Cowie
Sophie Flemig (28 January only)
Sheila Gunn
Christine Lester
Tim McKay
Stephen Moore
Sharon O'Connor
Pauline Weetman
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV) (14 January only)
Carol Calder, Senior Manager, PABV (Item 10)
Antony Clark, Audit Director, PABV (Items 10 and 11))
Blyth Deans, Audit Manager, PABV (Item 10)
Gemma Diamond, Audit Director, PABV (Item 14)
Derek Hoy, Audit Manager, PABV (Item 6)
David Love, Senior Auditor, PABV (Item 10)
Diane McGiffen, Chief Operating Officer (Item 13)
Tricia Meldrum, Senior Manager, PABV (Item 11)
Beverley Oakman, Audit Manager, PABV (Item 11)
Garry Quigley, Audit Officer, PABV (Item 6)
Mark Roberts, Audit Director, PABV (Items 5 and 6)
Claire Tennyson, Audit Officer, PABV (Item 10)
Sally Thompson, Audit Manager, PABV (Item 6)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 10 and 17 December 2020
5. Strategy and work programme: Audit Scotland response to Commission themes and priorities
6. Climate change: internal briefing and developing plan
7. Secretary's update report
8. Interim Chair's update report
9. Controller of Audit report
10. Local government overview 2021: emerging messages (in private)
11. * Performance audit – Education outcomes: draft report (in private)
12. Best Value update (in private)
13. Audit Scotland update (in private)
14. Strategic Scrutiny Group update (in private)
15. Any other business

* This item was considered on 28 January.

Introductory remarks: Caroline Gardner

At the beginning of the 14 January meeting, the Commission agreed to convey its congratulations to Caroline Gardner, former Auditor General for Scotland, on being awarded a CBE in the New Year Honours List for services to the public sector in Scotland.

Introductory remarks: Controller of Audit and Director of PABV

At the beginning of the 28 January meeting, the Commission noted advice from the Chair that the Controller of Audit and Director of PABV had submitted his notice of resignation. She had agreed consequently, in conjunction with the Accountable Officer of Audit Scotland as appropriate, that the postholder would not be supporting the Commission at the 28 January meeting, with a view to interim reporting arrangements for the Commission in relation to the Controller of Audit and Director of PABV being agreed subsequently between the Commission, Accountable Officer and the postholder.

1. Apologies for absence

It was noted that apologies for absence had been received from Sophie Flemig (14 January only).

2. Declarations of interest

The following declarations of interest were made:

- Christine Lester, in item 14, as a member of the Board of Health Improvement Scotland.
- Elma Murray, in item 11, as Deputy Chair of the Developing Young Workforce Employers Forum.
- Sharon O'Connor, in item 6, as a member of the Sustainable Energy Authority of Ireland.

Advice was noted from the Secretary that Sophie Flemig had provided comments on the business on the agenda, and accordingly had declared an interest in item 6 as a trustee of Stop Climate Chaos Scotland.

3. Order of business

It was agreed that items 10 to 15 be considered in private because:

- Item 10 requires the Commission to consider emerging messages from a performance audit report which may require consideration of confidential audit matters in advance of further audit work.
- Item 11 proposes a draft performance audit report which the Commission is to consider in private before publishing.
- Item 12 requires the Commission to consider confidential policy matters.
- Item 13 requires the Commission to consider confidential business matters.
- Item 14 requires the Commission to consider confidential policy matters.
- Item 15 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Interim Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

The Interim Chair advised that there was business to be considered for item 15.

4. Minutes of meeting of 10 and 17 December 2020

The minutes of the meeting of 10 and 17 December 2020 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 4, first bullet point, noted advice from the Interim Chair in response to a query from Geraldine Wooley that the proposed member workshop on the principles associated with the audit appointments procurement strategy, including the Commission's legal obligations in this regard, would take place on 11 February.
- In relation to item 4, second bullet point, noted advice from the Interim Chair that she had agreed with Andrew Burns and Andrew Cowie that they would act as sponsors for the forthcoming housing benefit performance audit thematic work.
- In relation to item 7, having noted advice from the Secretary that some members had sought further information on the Office of National Statistics classification of the Accounts Commission, agreed that this be provided to all members.

Action: Secretary

- In relation to item 16, second bullet point, noted advice from the Interim Chair that the Associate Director, AQA had presented the Best Value Working Group with an updated timeline and 'route map' at its meeting on 7 January, which would be updated and circulated to Commission members for information.

Action: Interim Chair

5. Strategy and work programme: Audit Scotland response to Commission themes and priorities

The Commission considered a report by the Director of PABV setting out how Audit Scotland is planning to respond to the themes and priorities emerging as part of the Commission's strategy development and Insight Programme work.

During discussion, the Commission:

- Noted advice from Mark Roberts, Audit Director, PABV, that he was discussing with the Commission Secretary how to develop how the Commission and the Director can interact more regularly on the work programme throughout the year.
- Agreed that the following matters be given further consideration in the further drafting of the work programme:
 - Recognising good practice in the public sector response to the Covid-19 pandemic (raised by Geraldine Wooley).
 - Developing a more citizen and community centred perspective throughout audit reporting (Geraldine Wooley).
 - Ensuring significant priority in reporting governance and accountability matters associated with the increased distribution of financial resources across the public sector (Sheila Gunn).

- In developing an audit response in relation to community justice issues, ensuring linkages with other areas of public policy (Stephen Moore).
- Increasing the priority of work on children and young people's mental health (Stephen Moore)
- Further in this regard, increasing the priority of work in wider mental health matters.
- In developing further audit reporting in relation to health and social care, ensuring sufficient priority for consideration of outcomes in this regard (Christine Lester).
- Increasing the priority of work on digital exclusion (Tim McKay).
- Ensuring better reflection of longer-term themes in how the work programme is presented, to better reflect the uncertainty of the current public policy environment (Andrew Cowie).
- Ensuring that how local government matters are reflected in how the work programme is presented better reflects the Commission's statutory responsibilities in reporting (Pauline Weetman).

Action: Director of PABV

- In relation to the second sub-bullet point above, noted advice from the Director about ongoing discussions with other UK audit agencies about how to progress in this regard.
- Agreed that the proposed stakeholder consultation on the work programme ensure adequate timescales, to reflect the pressure faced by stakeholders as a result of the pandemic (Andrew Burns).

Action: Secretary

- Agreed that the proposed consultation optimise the scope for obtaining citizen and community views (Sharon O'Connor).

Action: Secretary

- Noted advice from the Director about a proposed publication by Audit Scotland on the impact of the Covid-19 pandemic on public audit in Scotland.
- Further in this regard, agreed to note advice from the Director that he would be liaising with the Chair, Deputy Chair and Secretary on the content of this publication.

Action: Director of PABV

Following discussion, the Commission agreed to:

- Note the progress made in developing proposals that respond to its emerging themes and priorities.
- Approve the consultation approach set out in the paper.
- Noted that it would be considering further proposals on the work programme in coming meetings.

Action: Secretary

6. Climate change: internal briefing and developing plan

The Commission considered a briefing paper by the Director of PABV on climate change.

During discussion, the Commission:

- Agreed that careful consideration be given by the audit team in how to present the relative roles of the private and public sectors, and roles within the public sector, in relation to climate change (point raised by Pauline Weetman and Andrew Burns).
- Agreed that in further development of proposals for audit reporting, the audit team ensure wide stakeholder engagement (point raised by Paul Reilly on behalf of Sophie Flemig).

Action: Director of PABV

- Agreed that careful consideration be given by the audit team to the use of appropriate terminology around climate change (point raised by Paul Reilly on behalf of Sophie Flemig).

Action: Director of PABV

Following discussion, the Commission:

- Noted the briefing paper.
- Endorsed the general proposed approach and plan.

Action: Director of PABV

- Agreed that there be Commission sponsors for this work.
- To this end, noted advice from Elma Murray that in taking account of members interests expressed during the discussion on the briefing paper she was minded to confirm Andrew Burns and Sharon O'Connor as sponsors, but that any other member can intimate their interest to her.

7. Secretary's update report

The Commission considered and noted a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

8. Interim Chair's update report

The Commission considered and noted a report by the Interim Chair providing an update on recent and upcoming activity.

9. Controller of Audit report

The Commission considered and noted a report by the Controller of Audit providing an update on recent and upcoming activity.

Arising therefrom, the Commission noted advice from the Controller that a date for the Scottish Parliament's Local Government and Communities Committee to consider the Commission's Local Government Financial Overview report had yet to be confirmed.

10. Local government overview 2021: emerging messages (in private)

The Commission considered a report by the Director of PABV proposing the emerging messages for the *Local government overview 2021* report.

Following discussion, the Commission agreed:

- To endorse the emerging messages, structure and tone of the report, subject

to some revisions and other points to be addressed by the report team in conjunction with the report sponsors, Elma Murray and Tim McKay.

- That consideration of the report structure, further messages and tone, is undertaken as the work progresses through discussion with the Interim Chair and Interim Deputy Chair, as sponsors.
- That a draft audit report be brought to the Commission meeting in April 2021 prior to publication in May 2021.
- That the proposed publication and promotion strategy be considered at its meeting in April 2021.

Actions: Director of PABV

11. * Performance audit – Education outcomes: draft report (in private)

The Commission considered a report by the Director of PABV proposing the draft performance audit report (conducted jointly with the Auditor General) *Education outcomes*, the process for finalising the report, and publication arrangements for the report.

The report was presented by Antony Clark, Audit Director, PABV.

During discussion, the Commission agreed:

- To approve the draft report, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Sheila Gunn and Sharon O'Connor.

Action: Audit Director, PABV

- To note advice from the Audit Director that the Auditor General had proposed a publication date of 23 March following a request by the Scottish Parliament's Public Audit and Post-legislative Committee to consider the report.

Following discussion, the Commission:

- Acknowledged the importance of the Committee's scrutiny role.
- Noted advice from the Audit Director that the arrangements for further drafting and publication of the report would not be detrimentally affected by accommodating this role.
- Accordingly, agreed the publication and promotion arrangements for the report.

Action: Secretary and Audit Director, PABV

12. Best Value update (in private)

The Commission considered a report by the Secretary providing an update on matters relating to Best Value, incorporating a paper from the Director of PABV setting out recommendations of the Best Value Working Group on the approach for Best Value auditing work in councils and health and social care integration joint boards (IJBs) from 2022/23.

During discussion, the Commission noted:

- Advice from the Director, in response to a query from Stephen Moore, that the approach to auditing IJBs will ensure - particularly through the self-evaluation element of the audit approach - sufficient profile for partnership working with

the third sector.

- Advice from the Director and Secretary, in response to a query from Christine Lester, about further development work to be done in relation to ensuring a high public profile for audit reporting of audit work on IJBs, which will be considered by the Commission at future meetings.
- Advice from the Director, in response to a point by Andrew Cowie, that the proposed approach to auditing Best Value in IJBs ensured a core level of reporting that reflects the Commission's desire for appropriately robust public reporting and assurance in relation to the performance of IJBs.
- Advice from the Interim Chair that she would share information on her discussions with Audit Scotland on development of the Shared Intelligence Hub.

Following discussion, the Commission:

- Agreed the recommendations of the Best Value Working Group on the approach for Best Value auditing work in councils and IJBs from 2022/23.
- Noted the latest conclusions of the Best Value Working Group.
- Noted the progress of the stakeholder engagement plan.

Action: Director of PABV

13. Audit Scotland update (in private)

The Commission considered a verbal report by the Chief Operating Officer providing an update on the ongoing strategic business of Audit Scotland, particularly in relation to Audit Scotland's response to the Covid-19 pandemic and its impact on staff and on audited bodies.

Following discussion, the Interim Chair thanked the Chief Operating Officer, asked her to communicate the Commission's appreciation of Audit Scotland's staff on their behalf, and the Commission agreed that a further such update be scheduled for a forthcoming meeting.

Action: Secretary

14. Strategic Scrutiny Group update (in private)

The Commission considered a report by the Audit Director, PABV providing an update on the work of the Strategic Scrutiny Group.

Following discussion, the Commission noted the report.

15. Any other business

The Interim Chair advised that the Minister for Local Government, Housing and Planning had accepted an invitation to meet with the Commission on 11 February 2021.

Having then advised that there was further no business for this item, she closed the meeting.

Close of meeting

The meeting closed at 2.35pm (on 14 January) and 10.35am (on 28 January).

MEETING: 11 FEBRUARY 2021

REPORT BY: SECRETARY TO THE COMMISSION

AUDIT SCOTLAND BOARD UPDATE

Purpose

1. This report provides an update on the business of the Audit Scotland Board.

Background

2. Audit Scotland is established in statute to “provide such assistance and support as the Auditor General and the Accounts Commission require in the exercise of their respective functions and, in particular, is to provide them, or ensure that they are provided, with the property, staff and services which they require for the exercise of those functions”.¹
3. Audit Scotland (i.e. its Board) consists of the Auditor General, the Chair of the Commission, and three other members.² These three members, including a Chair, are appointed by the Scottish Commission for Public Audit.³
4. As well as being a member of Audit Scotland’s Board, the Commission Chair is also a member of its two committees, the Audit Committee and the Human Resources and Remuneration Committee.
5. In [Public Audit in Scotland](#)⁴, the Commission, the Auditor General and Audit Scotland set out how they together deliver public audit in Scotland. They state that “by working together and each fulfilling our distinct roles, the Auditor General, the Accounts Commission and Audit Scotland will ensure a strong system of public audit works to support transparency and promote improvement in the performance of public bodies.”
6. To this end, the Commission at its meetings considers for its interest the business of Audit Scotland Board.

Current Board business

7. This report provides the Commission with the latest available minutes from the meeting of the Audit Scotland Board, in this case the meeting of 25 November 2020. They are attached in Appendix 1.
8. The most recent meeting of the Board was on 27 January 2021, but the minute of this meeting is not yet publicly available as it is yet to be ratified by the Board. This will be available after the next Board meeting on 24 March 2021 and considered by the Commission at its April meeting.

¹ Public Finance and Accountability (Scotland) Act 2000, Section 10(3).

² Public Finance and Accountability (Scotland) Act 2000, Section 10(2).

³ The Scottish Commission for Public Audit was established under Section 12 of the Public Finance and Accountability (Scotland) Act 2000 and is made up of 5 MSPs. Its main areas of responsibility are to (a) examine Audit Scotland’s proposals for the use of resources and expenditure and report on them to the Parliament; (b) appoint an auditor to audit the accounts of Audit Scotland; (c) lay these accounts and auditor’s report before the Parliament; and (d) appoint three of the five members of Audit Scotland’s Board, including its Chair.

⁴ *Public Audit in Scotland*, Accounts Commission, Auditor General and Audit Scotland, May 2015.

9. The Commission has agreed however that the agenda for the most recent Board meeting be provided (even if the minute is not yet available). The agenda is attached in Appendix 2. The Chair will provide a verbal update on any relevant business for members' interest and invites questions from members to this end.

Conclusion

10. The Commission is invited to consider this update for its interest and seek further information from the Chair as appropriate.

Paul Reilly
Secretary to the Commission
2 February 2020

Minutes

Wednesday 25 November 2020, 10.00am

Audit Scotland by Video conference

Present:

Alan Alexander (Chair)
Stephen Boyle
Elma Murray
Jackie Mann
Colin Crosby

Apologies:

There were no apologies.

In attendance:

Diane McGiffen, Chief Operating Officer
Fraser McKinlay, Director, Performance Audit and Best Value/Controller of Audit
Fiona Kordiak, Director, Audit Services
Stuart Dennis, Corporate Finance Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Mark Roberts, Audit Director, Performance Audit and Best Value
Robert Leask, Project Manager, Audit Quality and Appointments
Graeme Greenhill, Senior Manager, Performance Audit and Best Value
Ian Metcalfe, Corporate Governance Officer
Gayle Fitzpatrick, Corporate Governance Manager

1. Private meeting of Board members

The Board met privately and there were no matters arising.

2. Welcome and apologies

The Chair welcomed attendees to the meeting noting that this was Colin Crosby's first meeting as a Board member following his appointment on 1 October 2020.

3. Declarations of interest

There were no declarations of interest.

4. Chair's report – verbal update

The Chair advised of meetings with Stephen Boyle, Accountable Officer and Auditor General for Scotland, Elma Murray, Interim Chair of the Accounts Commission and Diane McGiffen, Chief Operating Officer as part of his regular scheduled engagement.

The Chair expressed his thanks to members and colleagues who had joined the informal business planning meeting with the Scottish Commission for Public Audit (SCPA) held on 26 October 2020 and advised members he had attended Audit Scotland's Annual Audit Planning Conference held on 18 November 2020.

The Board welcomed the update.

5. Accountable Officer's report – verbal update

Stephen Boyle advised of internal meetings with the Chair and other Board members, engagement on the development of the Strategic Improvement Programme and of the budget submission to the Scottish Commission for Public Audit (SCPA) which would be considered at today's meeting. Stephen advised he had attended Audit Scotland's virtual graduate recruitment evening held on 11 November 2020.

Stephen advised that he continues to attend Parliamentary Committee meetings in person with Public Audit and Post Legislative Scrutiny Committee (PAPLS) and that recent sessions had considered reports on NHS Highland, the draft forward work programme. He had also attended a PAPLS roundtable event which considered third sector data collection and outcomes, how well public money is spent, and impact and delivery.

Stephen advised of introductory calls with the Chief Executive of ICAS, the Chair of the Scottish Fiscal Commission and Her Majesty's Chief Inspector of Constabulary and Chief Executive of Revenue Scotland. He also advised of his appointment as a judge on the Scottish Public Service Awards panel where a virtual award ceremony would be taking place next month. Stephen also highlighted his blog which was published on equalities and audit.

Over the coming weeks, Stephen advised that five statutory Section 22 reports would be published and that the intention was to sign off on the Scottish Government's consolidated accounts by 8 December 2020.

The Board welcomed the update.

6. Accounts Commission Chair's report – verbal update

Elma Murray advised that the Accounts Commission had published two Best Value Audit reports (BVARs) on Aberdeenshire and Edinburgh and highlighted that the next BVAR is scheduled for June 2021 due to impact of Covid-19.

Elma advised that the Accounts Commission had met twice each month since June 2020 and would be reverting to one full day meeting a month. She also advised that the number of working group meetings would also be reducing and that the terms of Reference for each working group will be revised and updated. Elma highlighted a number of videos published following Accounts Commission meetings and key messages from published BVARs.

Elma advised members that following the meeting with the Local Government and Communities Committee, she and Fraser McKinlay, Controller of Audit/Director of Performance Audit and Best Value would be attending a private session of the Committee in January 2021.

The Board was invited to note that the Strategic Scrutiny Group (SSG) had produced an overview of scrutiny bodies' responses to the pandemic and a blog to support this. Elma advised that the SSG had met on 24 November 2020 and that Bill Scott, Chair of the Poverty and Inequalities Commission had joined the meeting.

Elma advised that the Best Value Working Group (BVWG) had been meeting fortnightly and an engagement programme to further consider the draft Code of Audit Practice, Best Value approach and that a work programme had been agreed, with events arranged in November and December 2020, including meetings with Integration Joint Board (IJB) officers.

Elma advised that she would be meeting the Society of Local Authority Chief Executives (SOLACE) on 27 November 2020 and with the Improvement Service Board on 4 December 2020. Elma also advised that the Commission's Insight Programme had heard from David Martin (Chief Executive, Dundee City Council) and Des Murray (Chief Executive, North Lanarkshire Council) last month and would hear from Jim McCormick of The Robertson Trust on 26 November 2020.

The Board welcomed the update.

7. Review of minutes:

Board meeting 30 September 2020

The Board considered the minutes of the meeting of 30 September 2020, which had been previously circulated.

The Board approved the minutes as an accurate record of the meeting and members welcomed the revised minuting style noting that this would inform part of discussion on the Governance review at item 19 of today's agenda.

Audit Committee meeting 2 September 2020

The Board considered the minutes of the meeting of 2 September 2020, which had been previously circulated.

The Board noted the minutes which had been formally approved as an accurate record by the Audit Committee at its meeting on 4 November 2020.

8. Governance arrangements: Review of Standing Orders

Martin Walker introduced the Governance arrangements: Review of Standing Orders report, copies of which were previously circulated.

Martin invited the Board to agree with the continuation of current meeting arrangements and thanked members for their feedback on accessibility of Board and Committee meetings. The Board noted ongoing engagement which would inform proposals to come to the next meeting of the Board on 27 January 2021.

The Board welcomed the report.

9. Review of action tracker

The Board noted the updates provided on the action tracker. The Chair highlighted the proposed post Covid-19 workshop referred to at action ASB123 and advised that this would be scheduled for February or early March 2021.

In relation to action ASB99, consideration of the Board's committees meeting in public, members agreed that this would be incorporated within the scope of the corporate governance review being considered at item 19 of today's agenda and the action could be closed.

10. 2020/21 Spring budget revisions

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the 2020/21 Spring budget revisions report, copies of which had been previously circulated.

Stuart invited the Board to approve the two 2020/21 Spring Budget Revision submission to the SCPA to meet the in-year financial challenges of Covid-19 and the non-cash AME request to cover the additional IAS19 pension charges.

The Board considered the scenario planning undertaken on fee income recognition due to the impact of Covid-19 and members took assurance around the risks and the scenario planning

undertaken to support the proposed £1.5m contingency and the Board noted the accounting standards in relation to employer pension contributions.

Following discussion, the Board approved the 2020/21 Spring budget revisions for submission to the SCPA.

11. 2021/22 SCPA budget proposal

Stuart Dennis introduced the 2021/22 SCPA budget proposal report, copies of which had been previously circulated.

Stuart Dennis invited the Board to consider and approve the draft 2021/22 Budget Proposal for submission to the SCPA.

The Board considered the proposed budget submission which sought to increase the management contingency in order to provide resources in a number of important areas. These included; building capacity to respond to increased audit requirements and expectations, supporting the development of the digital strategy, enhancing digital skills and expertise, supporting the commitment to the continued development and delivery of audit quality, accelerating the development of the audit methodology, delivering the overall Strategic Improvement Programme and enabling Audit Scotland to respond to additional work arising from the creation of new bodies, and the increased scrutiny required arising from Covid-19 expenditure.

The Board welcomed the proposals, which sought to contain any fee impact for audited bodies and noted that the New Audit Appointments Steering Group would be considering, at its meeting in January 2021 whether to recommend that current audit appointments be extended.

Following discussion, the Board approved the budget proposal subject to agreed amendments which would be circulated to members prior to its submission to the SCPA.

Action ASB125: Diane McGiffen to circulate an updated 2021/21 Budget Submission to Board members prior for final approval prior to submission to the SCPA. (December 2020)

12. Strategic improvement programme

Martin Walker introduced the Strategic improvement programme report, copies of which had been previously circulated.

Martin Walker invited the Board to consider the purpose, objectives, structure and content of the programme and note the proposed governance and reporting arrangements.

The Board reflected on the importance and interconnectivity of the various strands of the programme which had been considered in detail as part of the budget proposal discussion.

Following discussion, the Board observed the importance of Audit Scotland's digital ability to deliver the programme and agreed this should be captured more clearly. The Board welcomed the strategic purpose and objectives of the programme overall and agreed a meeting between Elma Murray, Diane McGiffen and Martin Walker be convened to discuss the Accounts Commission's interests in the programme.

Action ASB126: A meeting to be scheduled with Elma Murray, Diane McGiffen and Martin Walker to discuss the Accounts Commission's interests in the programme. (January 2020)

Following discussion, the Board welcomed the report.

13. European Union withdrawal – verbal update

Mark Roberts, Audit Director, Performance Audit and Best Value, joined the meeting.

Mark Roberts provided a verbal to the Board on the European Union withdrawal.

The Board noted the areas on which no agreement has been reached including fisheries and free movement of workers, the potential disruption to the flow of goods and the potential longer-term impact on the delivery of public services.

Diane McGiffen advised that Management Team had carried out a business continuity planning exercise on Tuesday 24 November which had focussed on the potential impact on supply chains and the ongoing communication and support for colleagues.

Following discussion, the Board welcomed the update.

Mark Roberts, Audit Director, Performance Audit and Best Value, left the meeting.

14. New audit appointments update

Robert Leask, Project Manager, Audit Quality and Appointments, joined the meeting.

The Chair introduced the New audit appointments update report, copies of which had been previously circulated.

The Chair invited the Board to note the discussion on the option of recommending a further extension of audit appointments and the intention that the Steering Group meeting on 13 January 2021 fully considers the risks and mitigation actions. He advised that there was a meeting, following today's meeting of the Board, to consider limited changes to the terms of reference for the Steering Group, its role, purpose and reporting lines.

Following discussion, the Board agreed an amendment to the report prior to sharing with the Accounts Commission.

The Board welcomed the update.

Action ASB127: The summary report to be updated and shared with the Accounts Commission. (December 2020)

Robert Leask, Project Manager, Audit Quality and Appointments, left the meeting.

15. Covid-19 update

Martin Walker introduced the Covid-19 update report, copies of which had been previously circulated.

Martin invited the Board to note Audit Scotland's response to the pandemic, ongoing actions and next steps.

The Board recognised the impact on the delivery of audits delays, the planning assumptions made for next year and agreed the inclusion of timescales to provide further assurance of delivery in future reporting.

Following discussion, the Board welcomed the report.

16. 2020/21 Q2 Financial performance update

Stuart Dennis introduced the 2020/21 Q2 Financial performance update report, copies of which had been previously circulated.

The Board was invited to note the financial results for the six months to 30 September 2020.

The Chair invited any comments from members and there being none, the Board noted the report.

Stuart Dennis, Corporate Finance Manager, left the meeting.

17. 2020/21 Q2 Corporate performance update

Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Gayle Fitzpatrick introduced the 2020/21 Q2 Corporate performance update report, copies of which had been previously circulated.

The Board was invited to review the performance in quarter two and consider whether any additional management action is required.

During discussion, the Board welcomed the performance reported, proposed actions and next steps.

Following discussion, the Board noted the report and acknowledged the achievement by colleagues in maintaining delivery of audit quality during a period of significant disruption.

18. Environment, Sustainability and Biodiversity annual report 2019/20

Graeme Greenhill, Senior Manager, Performance Audit and Best Value and Ian Metcalfe, Corporate Governance Officer, joined the meeting.

Graeme Greenhill introduced the Environment, Sustainability and Biodiversity annual report 2019/20, copies of which had been previously circulated.

The Board was invited to consider and approve the Environment, Sustainability and Biodiversity annual report for 2019/20 and to comment on future areas of focus.

During discussion, the Board considered options to further reduce travel emissions with a focus and promotion on active travel and noted there were a number of initiatives being explored in this area. The Board also noted the next five-year plan will consider the net zero target date and the inclusion of supply chain and commute emissions in the metrics.

Following discussion, the Board welcomed the report and approved it for publication and communication.

Graeme Greenhill, Senior Manager, Performance Audit and Best Value, Gayle Fitzpatrick, Corporate Governance Manager and Ian Metcalfe, Corporate Governance Officer, left the meeting.

19. Corporate Governance review of Board arrangements report

Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Gayle Fitzpatrick introduced the Corporate Governance review of Board arrangements report, copies of which had been previously circulated.

The Board was invited to consider and agree the proposed scope and timeline for the proposed Corporate Governance review.

The Chair advised that the revised style, content and level of detail of Board minutes had been approved by members earlier in the meeting.

Following discussion, the Board welcomed the report and agreed the scope and timeline of the review.

Gayle Fitzpatrick left the meeting.

20. Any other business

There was no other business.

21. Publication of papers

The Board considered and agreed the publication of the reports with the exception of items 10 and 11 the Spring Budget Reviews and the 2021/22 Budget proposal and item 18, Environment, Sustainability and Biodiversity annual report as these would become public documents in due course.

In relation to item 14, the New Audit Appointments update members agreed this not be published due to commercial sensitivity.

The Board agreed that the reports at items 11 and 18 be shared with the Accounts Commission in confidence.

22. Review of meeting

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion. The Chair thanked everyone for their contributions.

23. Date of next meeting: 27 January 2021

The members noted the next meeting of the Audit Scotland Board is scheduled for 27 January 2021.

Agenda

Wednesday 27 January 2021 at 10.00am

By Teams

1. Private meeting of Board members
 2. Welcome and apologies
 3. Declarations of interests
-

Standing items

- | | |
|---|-----------------|
| 4. Chair's report – verbal update | For information |
| 5. Accountable Officer's report – verbal update | For information |
| 6. Accounts Commission Chair's report – verbal update | For information |
| 7. Review of minutes: Board meeting 25 November 2020 | For approval |
| 8. Governance arrangements: Review of standing orders | For information |
| 9. Review of action tracker | For information |
-

Strategic priorities

- | | |
|--|-----------------|
| 10. Strategic improvement programme update | For information |
| 11. Implications of EU withdrawal report | For information |
| 12. New audit appointments update | For information |
-

Business planning and performance

- | | |
|---|-----------------|
| 13. Covid-19 update | For information |
| 14. Scottish Commission for Public Audit: Official report | For information |
| 15. Records management plan 2021-2026 report and appendix | For approval |
-

Conclusion

- | | |
|---|--------------|
| 16. Any other business | |
| 17. Publication of papers | For approval |
| 18. Review of meeting | |
| 19. Date of next meeting: 24 March 2021 | |

MEETING: 11 FEBRUARY 2021

REPORT BY: AUDIT DIRECTOR, PERFORMANCE AUDIT AND BEST VALUE

COMMUNITY EMPOWERMENT: BRIEFING

Purpose

1. This paper invites the Accounts Commission to consider the internal briefing paper on proposals for community empowerment audit work in the short, medium and longer-term, to provide initial input to the plan for developing work in this area and think about where it fits in its priorities.

Background

2. Empowering communities is a national priority for the Scottish Government. It is an important part of public service reform, focusing attention on reducing disadvantage and inequality and improving outcomes for communities. Covid-19 makes effective community empowerment more important than ever.
3. The Strategic Scrutiny Group's 2019 [Principles for Community Empowerment](#) document provided an overview of some of the key issues and challenges facing public bodies and their partners as they seek to take forward this important but difficult work.
4. We are continuing to liaise with the SSG's Community Empowerment Advisory Group (CEAG) (membership listed on page 24 of the Principles document). A recent round table discussion hosted by Audit Scotland highlighted learning emerging from the response to Covid-19 within communities. However, communities and public services still face considerable challenges through a long recovery period during 2021 and beyond.

Work programme proposals

5. In addition to liaising with the CEAG, a small team in PABV has been discussing options for community empowerment audit work with the interim chair and sponsors which has informed the proposals paper.
6. Community empowerment is wide ranging and relevant to all parts of the public sector and is important for other areas of interest to the Commission, including sustainability of local government services, economic recovery, the needs of citizens and inequalities. The proposals set out immediate, medium and longer-term approaches and a variety of ways community empowerment could feature more in our work:
 - Short-term: explore options for a short, sharp output to capture learning from the pandemic while it is still relevant. It would also serve to keep a spotlight on the importance of community empowerment, which could get lost as services focus on continuing to respond and recover from the pandemic.
 - Medium-term: build community empowerment more into our ongoing work, it has relevance across many key areas and all sectors.
 - Long-term: consider a specific performance audit looking at the longer-term impact of the Community Empowerment Act and wider activities, informed by the short and medium-term work.

7. The timing and the extent of work we could do in the short-term depends on resourcing and competing priorities in the work programme.

Discussion

8. The audit team would find it helpful to get the Commission's view on the following points:
 - Is this the correct approach – overall aims/ focus, types and combination of work, engagement and outputs proposed?
 - Do the timescales seem reasonable for different pieces of work and focus in the short, medium and long-term?
 - What are the main areas to focus on embedding community empowerment across our work?

Next steps

9. The audit team will have a similar discussion with the Auditor General for Scotland (AGS), and we will incorporate Commission member and AGS views into our plans and update the Commission as appropriate. The audit team will continue to liaise directly with Geraldine Wooley and Sophie Flemig as sponsors as we develop the work.

Conclusion

10. The Commission is asked to:
 - a) Consider the work programme proposals paper.
 - b) Provide thoughts on the general approach.
 - c) Consider how these approaches fit with other priorities, particularly in the short-term.

Gemma Diamond/ Mark Roberts
Audit Director
27 January 2021

Community empowerment work programme proposals

Context

Empowering communities is a national priority for the Scottish Government. It is an important part of public service reform, focusing attention on reducing disadvantage and inequality and improving outcomes for communities. The Community Empowerment (Scotland) Act 2015 places duties on public bodies and provides rights for those being engaged and empowered. However, community empowerment approaches are much wider than the three major elements of the Act – strengthening community planning, participation requests, and extending the community right to buy or otherwise have greater control over assets. The impact of Covid-19 makes effective community empowerment more important than ever.

The Strategic Scrutiny Group's 2019 [Principles for community empowerment](#) report set out some of the key issues and challenges facing public bodies and their partners and shared good practice. It outlined principles to promote a shared understanding across scrutiny bodies and to help public bodies as they develop their own approaches to community empowerment reflecting the challenges and environment each body faces.

We are continuing to liaise with the Community Empowerment Advisory Group (CEAG) which includes experts in the field, and representatives from public bodies, the third sector and scrutiny bodies. We held a round table discussion with the CEAG in November 2020 on learning from the response to Covid-19 (summarised in this [blog](#)). A strong message that came from the discussion, and has been coming through other work, is that the Scottish Government, public bodies, businesses, the third sector and communities responded and adapted quickly to the pandemic with less bureaucracy and barriers to change. This was supported by significant additional funding and resources, and partnership working. Considerable challenges remain around the financial implications of the pandemic, sustainability of public services (and the third sector) through a long recovery period and the disproportionate impact of Covid-19 on Scotland's most vulnerable citizens.

There is a risk that progress in community empowerment is lost as services focus on providing necessities for communities, such as food provision and health care, while the capacity of support services within communities is stretched. There is an opportunity to learn from what worked and adapt to new ways of working rather than going back to old ways of doing things.

In our engagement with the CEAG and other stakeholders over the last few years (pre-Covid-19), several key factors were highlighted for us to consider in future options for work in this area. Many of these factors relate to the *how* rather than *what* has been done, such as culture, behaviours, relationships and intent (this is also reflected in the Principles document). Key themes emerging from stakeholders are:

- **Scope/ methodology/ outputs** – important to look at the wider aspects of community empowerment (not just the requirements of the Act), including culture, quality of work, transparency, how people feel about it, trust between communities and public bodies, and what difference it is making. A different approach from traditional audits will be required, with a focus on people and communities covering a wide range of communities/ vulnerable groups. Audit outputs will need to be accessible and suitable for different audiences.
- **Sustainability** – approaches need to be sustainable and consider capability and capacity within both public bodies and communities. Local priorities and outcomes need to be clear and link to national outcomes.

- **Risk and learning** – understand the risks, how they are being managed, the approaches public bodies are taking to tolerance levels and proportionality, if there are persistent barriers preventing progress, and if there is learning from both good practice and failure.

Our approach to auditing community empowerment

Community empowerment sits within an increasingly complex, changing and uncertain environment which places different demands and expectations on public bodies at the same time as funding pressures continue and communities respond to and recover from the pandemic. It is relevant to all parts of the public sector and links to many priority areas, both for Audit Scotland and across the public sector. This includes economic recovery, community wealth, digital, innovation, collaborative leadership, human rights, improving health and wellbeing and reducing inequalities.

There is an opportunity for Audit Scotland to carry out targeted audit work in this area, capturing learning from the pandemic, along with building aspects of community empowerment into our wider work programme and then look at the longer-term impact. We have already strengthened our focus on community empowerment in BVARs based on the Principles document and we are continuing to liaise with other scrutiny bodies to coordinate our work and consider where we can have most impact.

The following table sets out proposals for community empowerment work over the next 5 years. The table on page 4 summarises how community empowerment fits into other audit work and key pieces of external work.

<p>2021 – Briefing paper or other short output</p> <p>- Publish by Autumn/ Winter 2021?</p>	<ul style="list-style-type: none"> • Aim: to share learning from good practice and challenges in effective community-based responses to the pandemic and how Covid-19 funding for communities has supported this. To help public bodies build on good practice as recovery continues. • Scope could include: focus on local government community response to Covid-19 – what funding was provided, where it came from/ went, did it reach the right people/ communities (vulnerable groups targeted?), engagement/ involvement with communities, distribution of money, what difference did it make, role of third sector and business, efficiencies gained from reduced bureaucracy, use of digital (how it helped reach people, exclusion of those without access), new ways of working, remaining challenges. • Methodology: desktop exercise drawing on existing and ongoing work, including: <ul style="list-style-type: none"> – Following the pandemic pound tracker, Covid e-hub – LG overviews – Digital progress in LG PA – Equalities work – BVARs – CPP responses, third sector and community group experiences – Intelligence from CEAG members and other key stakeholders, including Education Scotland and Improvement Service
<p>2021-23 – Building CE into audit work/ Continuing to raise profile</p>	<ul style="list-style-type: none"> • There are opportunities to embed community empowerment into our wider work programme and build it into audits where there are clear links. Along with continuing to liaise with the CEAG, this would help to continue to build up intelligence and inform a performance audit later in the work programme. • Ongoing/ upcoming work where community empowerment could be more embedded, picking up the themes on page 1, includes: <ul style="list-style-type: none"> – LGO Performance and Challenges report – could have more of a focus on community empowerment (learning from the approach taken around planning in the 2020 report)

	<ul style="list-style-type: none"> - New approach to Best Value – community empowerment as a theme across all councils - HSC integration, best value in IJBs - Digital transformation, innovation and service redesign - Following the Covid pound/ economic recovery - Local economic growth and community wealth building - Collaborative leadership - Inequalities, child poverty, digital exclusion • Other activities to help increase understanding, raise awareness and the profile of community empowerment include: <ul style="list-style-type: none"> - Blogs/ vlogs on our website on emerging themes from our work and external developments - Knowledge cafes with external speakers - Working with scrutiny partners to share intelligence and coordinate our work, including Education Scotland as it develops its revised approach to CLD inspections, potential for some joint scrutiny work
<p>2024-25 – performance audit</p>	<ul style="list-style-type: none"> • A performance audit in the longer-term work programme could focus on how the Act and other community empowerment activities have contributed to empowering communities, reducing inequalities and improving outcomes. This would have a strong citizen/ service user focus and could include: <ul style="list-style-type: none"> - case study work on what difference the Community Empowerment Act and other activities are having on the ground in communities - how local outcome improvement plans (LOIPs) and locality planning are supporting improved National Performance Framework (NPF) outcomes - how communities hold public bodies to account, governance for communities responsible for budgets or assets, taking into account trust, culture, transparency, managing risks, proportionality, levels of bureaucracy - capacity within councils and partner bodies for community empowerment and Community Learning and Development (CLD), including funding, staff, skills, leadership, partnership working, focus and priority

Community empowerment links to Audit Scotland and external work

Key internal work links	Key external organisations/ work links
<ul style="list-style-type: none"> • 2021 BVARs <ul style="list-style-type: none"> – Aberdeen City, South Ayrshire, East Dunbartonshire, Falkirk • Covid-19 response <ul style="list-style-type: none"> – e-hub publications – Following the pandemic pound tracker • Local Government overview, AARR • Digital progress in local government audit • Social care sustainability • Other cross-cutting themes/ programme priorities <ul style="list-style-type: none"> – economic recovery – community wealth – digital exclusion – innovation – collaborative leadership – improving outcomes – reducing inequalities – human rights 	<ul style="list-style-type: none"> • Scottish Parliament <ul style="list-style-type: none"> – LG & communities committee Community wellbeing inquiry - Post-Legislative Scrutiny of the Community Empowerment (Scotland) Act 2015 • Scottish Government <ul style="list-style-type: none"> – evaluation of Parts 3 & 5 of the Community Empowerment Act (Participation requests and Community Asset Transfers) • Citizens' Assembly of Scotland – report • COSLA • Improvement Service • Strategic Scrutiny Group • Education Scotland <ul style="list-style-type: none"> – revised approach to Community Learning Development – new SG guidance on CLD plans 2021-24 • Third sector organisations <ul style="list-style-type: none"> – Scottish Council for Voluntary Organisations – Scottish Community Development Centre – Consultation Institute – Scottish Community Safety Network – SURF Scotland's Regeneration Network – What Works Scotland/ Universities of Glasgow & Edinburgh – TSI Scotland Network

MEETING: 11 FEBRUARY 2020**REPORT BY: SECRETARY TO THE COMMISSION****UPDATE REPORT**

Introduction

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government, focussing particularly on the response to the Covid-19 pandemic.
2. The Commission also receives other regular information to complement this report. This is made available to the Accounts Commission through its members' extranet site:
 - The Controller of Audit report to the Commission which updates the Commission on his activity.
 - The Commission's Financial Audit and Assurance Committee receives a more detailed update on issues relating to local government.
 - The weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

Commission business***Publications***

3. Audit Scotland collects media coverage on all the reports published by the Accounts Commission. Appendix 1 provides download statistics for the Commission's published reports over the last 12 months. Appendix 2 provides additional information on the overall engagement that reports and other business have received on social media.
4. The social media statistics included in this report stretch back to 10 December. This has been a strong period for the Twitter account, with a 5 per cent increase in followers. The period covered the publication of two major reports and we saw strong engagement from stakeholders on Twitter, including COSLA, the Improvement Service, SOLACE, Local Government Digital Office, Scotland's Regeneration Forum (SURF) as well as relevant trade press. A number of stakeholders were tagged pre-publication, which helped to generate engagement.
5. There have been 2,400 video views since 10 December – a mixture of updates from the Interim Chair and Deputy Interim Chair, as well as animations covering reports. The most viewed video was the Local government in Scotland financial overview animation which has been viewed 891 times on Twitter in less than a week.
6. On 14 January the Accounts Commission published its performance audit on [Digital progress in local government](#). The report [commends](#) the pace at which each of the 32 local authorities have adapted to digital technology requirements. Greater collaboration, use of shared expertise, citizen engagement and strategic planning are deemed necessary to fully realise the potential of digital progress. It also found that councils are at different stages of digital transformation and that the long-term focus

should be on determining how digital technology can provide better opportunities and services for people across Scotland.

7. The report received detailed coverage in specialist technical journals and coverage from local media in Edinburgh and Aberdeen. Focus was very much on the skills and capacity in councils, as well the role of the Digital Office. COSLA, as expected, linked the issues highlighted in our report to funding. All the coverage can be found on the [members' SharePoint site](#).
8. On 26 January the Accounts Commission published its '[Local government in Scotland: Financial overview 2019-20](#)' report. The report notes that despite an overall increase in council's income of £800 million and an increase in Scottish Government funding of £500 million in 2019/20, local government funding has undergone a larger reduction than the rest of the Scottish Government budget over the past seven years. It also notes 40 per cent of this £500 million funding was committed to expanding early learning and childcare. The financial cost of Covid-19 on councils is estimated to be £767 million. While many local authorities have been capable of adapting to Covid pressures thus far, there are significant variations in individual councils' ability to deliver planned savings.
9. The report received significant newspaper and radio coverage which can be found on the [members' SharePoint site](#). Coverage focused on the costs of tackling Covid-19. COSLA used the report to reiterate its calls for fair funding. The report was reposted by COSLA, the Improvement Service and the Local Government Digital Office, among others.

Other Commission business

10. The Accounts Commission previously requested information on the impact of court case backlogs resulting from Covid-19. The Scottish Government and the Justice Board have established an advisory group to provide information and insight into the rights and needs of those impacted by the system, and to assist in informing equality and human rights impact assessments. The group is meeting monthly and includes representatives from Victim Support Scotland, Scottish Women's Aid and Children First. Updates on the output of the group will be reported in subsequent Secretary update reports.
11. Commission engagement with stakeholders on auditing Best Value and on the proposed new Code of Audit Practice is ongoing. On 15 January the Interim Chair of the Accounts Commission met with Council Directors of Finance, Tim McKay, Interim Deputy Chair and Fiona Mitchell-Knight, Audit Director, Audit Services. On 29 January, the Commission Secretary met with the Scottish Performance Management Forum.

Auditor General

12. On 15 December the Auditor General published a [Section 22 report¹](#) on a Scottish Water. In 2018/19, Scottish Water Business Stream reported income of £372 million and an operational profit of £0.03 million. In 2019/20 its income increased to £477.5 million, but it recorded an operating loss of £14 million, largely as a result of 'doubtful' debts of £13.3 million arising from Covid-19.
13. On 17 December the Auditor General published a [Section 22 report](#) on the Scottish Government's consolidated accounts. Net spending for the year across the government's consolidated accounts was £39,385 million - £669 million more than

¹ Section 22 of the Public Finance and Accountability Act 2000 allows the Auditor General to prepare a report on the accounts of any body on which he secures the audit (Section 22(3)) which in turn is sent to Scottish Ministers (Section 22(4)) and laid before Parliament (Section 22(5)).

budget. The overspend was because of accounting for two large business support schemes agreed in March that cost £912 million. The audit opinion on the accounts was unqualified. The government quickly revised its governance arrangements in response to Covid-19. But the pandemic delayed publication of its medium-term financial strategy to January 2021, squeezing the time for scrutiny by MSPs ahead of the 2021/22 budget. Responding to Covid-19 and EU withdrawal has also placed considerable strain on staff across the organisation.

14. On 22 January the Auditor General published a [report](#) to provide additional assurance to the Scottish Parliament on the National Audit Office's (NAO) statutory report on the [Administration of Scottish income tax 2018/19](#). The Auditor General found that the NAO's approach was reasonable and covered the key audit risks. He also drew attention to the main findings in the NAO report– including what 2018/19 outturns mean for the Scottish budget, and what improvements have been made to how 2019/20 Scottish income tax is estimated.

Audit Scotland

15. On 16 December former Auditor General for Scotland, Caroline Gardner received the [Lifetime Achievement Award](#) at the 2020 Scottish Public Service Awards.
16. On 19 January Fraser McKinlay, Controller of Audit and Director of Performance Audit, announced that he will be leaving his post in April.
17. On 28 January Audit Scotland announced that they will host a Q&A session for staff with Jenny Marra MSP, current convener of the Public Audit and Post-legislative Scrutiny committee on Monday 22 February at 11.30am to 12.30pm.
18. On 28 January Audit Scotland submitted a response to the Financial Reporting Council's consultation regarding proposed revisions to ISA (UK) 240. The consultation paper and Audit Scotland's response are both available on the [members' Sharepoint site](#).
19. On 15 January Audit Scotland [presented](#) its budget [proposal](#) for 2021/22 to the Scottish Commission for Public Audit. The Commission largely focused on the impact of Covid-19 on income recognition, leading to a shortfall of £1.440 million due to the loss of productive time following the extensions applied to 2019/20 audits.
20. On 25 January Audit Scotland [published](#) an update paper on its principles and approach to public audit during Covid-19.

Issues affecting local government

Scottish Government

21. Given that the Covid-19 emergency has meant a significant number of matters originating from the Scottish Government, this section is divided, for ease of reference, into the following sub-sections:
 - Local government general
 - Economy
 - Health and social care
 - Education
 - Transport

- Communities
- Business
- Covid-19 measures
- Other matters

Local government general

22. On 17 December the Cabinet Secretary for Finance and the Cabinet Secretary for Economy, Fair Work and Culture wrote to the Chief Officers of Public Bodies on the application of Fair Work First in public bodies, which can be found on the [members SharePoint site](#). The Scottish Government requested information on the work that's being done to implement the Fair Work First programme. On 29 January the Scottish Government published the [resources](#) for the Fair Work First programme.
23. On 18 December the UK and Scottish Governments signed the [Tay Cities deal](#), finalising a £700 million investment in the region. The deal is an agreement between the UK and Scottish governments, who have each pledged to invest £150 million, along with Angus, Dundee City, Fife, and Perth & Kinross councils. It is hoped the investment will help to leverage a further £400 million investment from public and private partners, creating more than 6,000 jobs and boosting the regional economy.
24. On 6 January the Scottish Government [announced](#) plans to ban all non-household biodegradable waste from entering landfill by 2025. The announcement has been set out in the [Climate Change Plan update](#). The proposals are part of a package of measures aiming to reduce food waste by one third by 2025 and recycle 70 per cent of all waste by 2025.
25. On 12 January the Scottish Government published [figures](#) on the number of Council Tax Reduction recipients and the income foregone for all local authorities to November 2020.
26. On 14 January the Scottish Government [announced](#) a new package of £45 million to assist local authorities in providing support to schools and families throughout remote learning. The funding can be distributed at the discretion of respective local authorities to recruit up to 2,000 additional teachers, purchase more digital devices, or provide further family support.
27. On 26 January the Scottish Government [published](#) social and affordable housing completion records by local authority from 2007-2008 until 2020-2021.
28. On 27 January the Scottish Government published minutes from Local Authority Housing Resilience Group minutes from [Tuesday 1 December](#) and [Tuesday 15 December](#).
29. On 1 February the Scottish Government [published](#) details of how £11.6bn of funding will be distributed to individual local authorities.

Economy

30. On 29 December the Scottish Government [announced](#) the projects selected to receive the next round of the Knowledge Transfer & Innovation Fund. The almost £63,000 will be used for projects which explore ways to help reduce emissions and tackle climate change in farming and food production, while creating jobs in the rural economy.
31. On 27 January the Scottish Government published its [Vision for Trade](#); a blueprint for

how Scotland will approach future trading relationships. Five principles will guide all future decisions on international trade: inclusive growth, wellbeing, sustainability, net-zero, and good governance. The government will seek to partner with businesses which share these principles, promote fair work and a just transition to net zero.

32. On 27 January the Scottish Government published its [analysis of responses](#) to the consultation on role of devolved taxes and the Fiscal Framework in the Covid-19 economic recovery to inform decisions taken at the Scottish Budget 2021-22. Some respondents supported further devolution of tax powers to the Scottish Parliament to facilitate the economic recovery from Covid-19. There was strong support for increased borrowing limits to allow the Scottish Government to support the economy in response to the Covid-19 pandemic. While some respondents thought current arrangements were adequate, some supported greater fiscal autonomy and others suggested changes to the Fiscal Framework.
33. On 27 January the Scottish Government published experimental official [statistics](#) on Scotland's monthly GDP for November 2020. It [estimates](#) Scotland's GDP fell by 1.4 per cent in November, as restrictions on economic activity were extended. This was the first fall in GDP after six months of growth, following the easing of the first lockdown in 2020. Output remained 7.1 per cent below the pre-pandemic level in February.
34. On 28 January Kate Forbes, Cabinet Secretary for Finance [presented](#) the Scottish Government's [spending and tax plans for 2021-22](#). The budget is focused on three key priorities: creating jobs and supporting and investing in a sustainable recovery, responding to the health pandemic, and tackling inequalities. Scottish Government also published its [Medium Term Financial Strategy](#), [Equality and Fairer Scotland](#) impact assessment and a [carbon assessment](#). An impact assessment of the [Scottish Public Sector Pay Policy](#) and [advice and guidance](#) on this pay policy for devolved public bodies are also available. The pay policy includes a minimum 3 per cent pay increase for those earning up to £25,000. The Cabinet Secretary made the following announcements in relation to local government:
 - total funding will reach £11.6 billion for 2021-22, including a £245.6 million increase in core funding and an additional £259 million for non-recurring Covid-19 funding
 - additional allocation of £59 million to deliver the expansion of early learning and childcare and £72.6 million for health and social care
 - £7.7 million for the inter-island ferries in Shetland, Orkney and Argyll and Bute, as well as extending the timetable and RET on Orkney's inter-island ferries
 - funding equivalent to £90 million for councils that choose to freeze council tax.
35. SPICe published a summary [blog](#) and an [infographic](#) on the Scottish Budget 2021/22. The Fraser of Allander Institute also [published](#) its initial reaction to the budget.
36. On 1 February the Scottish Government [published](#) details on the Local Government Finance Settlement 2020-21 and Non-Domestic Rates. This provides a breakdown of the £10.9 billion revenue allocations and the £617 million capital allocations by council. In its [response](#), COSLA notes that "parts of the budget will support the work of Local Government in our communities, but overall it falls short of the fair funding Local Government requires."
37. Further analysis of the 2021/22 budget will be provided in the budget briefing to be considered at the March 2021 meeting of the Accounts Commission.

Health and social care

38. On 13 January the Scottish Government published [guidance](#) on the payment scheme for shielding social care workers who were not placed on the furlough scheme. Applicants can apply by Wednesday 24 February to receive 80 per cent of their normal pay if they were unable to work between March and October.
39. On 15 January the Scottish Government published its [response](#) and [analysis](#) of consultation responses about including Integration Joint Boards (IJBs) as Category 1 responders under the Civil Contingencies Act 2004. Ministers concluded the inclusion of IJBs in the legislation would ensure appropriate arrangements were in place for emergency planning to support local communities. An [Equality Impact Assessment](#) and [Fairer Scotland Duty](#) assessment of the policy have also been published.
40. On 18 January the Scottish Government announced an additional £750,000 has been [invested](#) in local carer centres to increase support for unpaid carers of all ages, helping them to take a break from caring and access help when needed.
41. On 21 January the First Minister [outlined](#) a range of actions to tackle the drugs deaths emergency. This will start with an immediate £5 million investment for the remainder of the financial year, and a commitment to an additional £50 million every year for the next five years to improve services.
42. On 24 January the Scottish Government published its [vaccination plan](#). The government has also published a [FAQ](#) on Covid-19 vaccinations for health and social care professionals. By the first week in February, the government aims to have vaccinated all of those in the Joint Committee on Vaccination and Immunisation Priority groups 1 and 2 with their first dose. This covers residents in care homes for older adults, care home staff, frontline health, and social care staff and those aged 80 and over living in the community. Vaccinations will begin for people aged 70 and over by mid-February, and by the beginning of March for those aged over 65 and the clinically extremely vulnerable – covering JCVI groups 1-5. The second doses will run in parallel starting from the end of February. Vaccinations will be offered at multiple sites with ambitions to establish more local vaccination sites around March in places such as community pharmacies, mobile vaccination clinics and mass vaccination centres.
43. On 26 January the Scottish Government published its [annual update](#) of the long-term monitoring of health inequalities. The data in the report pre-dates the Covid-19 pandemic. The report [outlines](#) the gap in health outcomes between the most and least deprived areas for a variety of indicators, including healthy life expectancy, premature mortality, mental wellbeing, baby birthweight, self-assessed health, limiting long-term conditions and a range of morbidity and mortality indicators relating to alcohol, cancer, coronary heart disease and drug use. The report finds significant health inequalities persist for each indicator. The gap in healthy life expectancy for males has increased and is at its highest point. The gap for drug-related hospital admissions has increased in each of the last six years to its highest point. Relative inequalities in heart attack admissions have increased in recent years and cancer incidence inequalities have remained relatively stable.
44. On 3 February the Scottish Government published its [Independent Review of Adult Social Care in Scotland](#), which was led by Derek Feeley, a former Scottish Government Director General for Health and Social Care and Chief Executive of NHS Scotland. The report highlights three key changes required to secure better outcomes: shifting the narrative around social care support; strengthening the foundations of the system and workforce; and creating a National Care Service. The review makes 53 recommendations including a human rights-based approach to social care. The proposed National Care Service would oversee procurement, with the support of

reformed Integration Joint Boards, and would be responsible for implementing a new approach to improvement, similar to the NHS Patient Safety Programme. The review estimates the total cost of such recommendations would be approximately £660m per year, 0.4 per cent of Scottish GDP.

45. The Performance Audit Committee will be considering at its meeting on 25 February a paper updating work on the proposed performance audit on social care sustainability.

Education

46. On 8 January the Scottish Government [confirmed](#) the return of college and university students has been postponed. University students will be taught online throughout January and February, with the majority not expected back on campuses until the start of March. Exceptions include for those whose education cannot be delivered remotely or for reasons of student wellbeing. Colleges will follow the Levels guidance of their local authority area.
47. On 13 January the Scottish Government published an [equity audit](#) on the impact of Covid-19 and school building closures on children from socio-economically disadvantaged backgrounds. The mental and physical wellbeing of children and young people may have been affected by closures. Access to digital technology had a direct impact on the remote learning experience. Pupils starting primary or secondary education were most likely to be affected.
48. On 14 January the Education Recovery Group published updated [infographics](#) on current Covid-related data in relation to children and young people, and their associated workforce. In the week ending Sunday 3 January, 1,235 people aged 2-17 tested positive for Covid-19. On Tuesday 12 January 6.7 per cent of pupils attended local authority schools.
49. On 21 January the Scottish Government updated its [guidance](#) for schools, local authorities and parents on arrangements for School education in January/February. The arrangements are expected to be in place until at least mid-February, subject to further regular reviews.
50. On 26 January the Scottish Government [announced](#) £30 million of additional funding for students, universities and colleges, with £20 million committed to student hardship funds and £10 million for institutions which have lost revenue by giving students rent refunds or rebates.
51. On 29 January the Scottish Government [published](#) non-statutory guidance for local authorities and schools to support children and young people with complex additional support needs in mainstream schools, units and special schools during the coronavirus pandemic.
52. On 31 January the Scottish Government [confirmed](#) that more than 500 teachers who are new in post, or working in pastoral or child protection roles, are to be offered support to manage the challenges caused by the pandemic as part of a programme delivered in partnership by Education Scotland, the General Teaching Council for Scotland and the social enterprise organisation KnowYouMore.

Transport

53. On 20 January Transport Scotland published the 2020-21 [corporate plan](#) update, the one year update to its 2017-20 [corporate plan](#). It sets out how Transport Scotland will support the delivery of the government's national transport priorities and how Transport Scotland will achieve its objectives, including the implementation of the national transport strategy and the transport transition plan to keep public transport safe during

the Covid-19 crisis. The update covers the period between 1 April 2020 – 31 March 2021 and recognises the current impact of the pandemic.

54. On 21 January Transport Scotland begun [preparations](#) to extend free bus travel to all young people living in Scotland under the age of 19 (approximately 770,000 people). [Draft legislation](#) was laid before the Scottish Parliament on 21 January.

Communities

55. On 21 December the Scottish Government published its [framework document](#) with the Poverty & Inequality Commission.
56. On 7 January the Scottish Government [extended](#) the temporary ban on eviction orders until Wednesday 31 March. The regulations, which prevent evictions in areas under Level 3 or 4 restrictions, were due to expire on 22 January. The regulations also clarify that evictions are permitted in cases of serious anti-social behaviour, including domestic abuse.
57. On 27 January the Scottish Government [announced](#) £25 million funding for disadvantaged and remote communities to support regeneration and employment projects.

Business

58. On 18 December the Scottish Government [published](#) figures, by local authority area, on the funding that has been distributed to businesses affected by the Covid-19 restrictions under the Strategic Framework, from 2 November to 30 November.
59. On 11 January the Scottish Government announced a [top-up](#) to the grant support available for hospitality, retail and leisure businesses closed by Level 4 restrictions. Eligible businesses which have already applied for the four-weekly payment from the Strategic Framework Business Fund will also receive a one-off grant.
60. On 15 January the Scottish Government [published](#) figures on applications and awards made through selected Covid-19 business support schemes.
61. On 18 January the Scottish Government launched a [new fund](#) to support taxi and private hire drivers affected by the pandemic. Local authorities will directly approach an estimated 38,000 private hire and taxi drivers inviting them to claim a £1,500 grant to assist with fixed costs.
62. On 22 January the Scottish Government [confirmed](#) around 18,000 farmers and crofters will benefit from support worth £71.8 million by the end of the month as the second and final instalment of convergence funding is distributed.
63. On 27 January the Scottish Government announced additional [funding](#) to support brewers, travel agents and indoor football. Eligible businesses will receive grants of £10,000 or £25,000, depending on the rateable value of the premises from which they operate, as part of a £7.3 million package of support. Local authorities will brief around 400 eligible businesses on their potential entitlement and ask them to provide supporting information and bank account details.

Covid-19 measures

64. On 17 December a [joint statement](#) was agreed by the Scottish, Welsh and UK governments on staying safe at Christmas. The main message is a smaller and shorter Christmas is a safer Christmas, it also discourages people travelling from areas with the highest level of protection to areas of lower prevalence.

65. On 23 December the First Minister announced homeware stores and garden centres will [close](#) in all Level 4 areas from Boxing Day with the exception of click and collect. Members of the public in the same level are also being urged to stay close to home where possible as part of a stricter definition of essential retailers and a new stay at home message which will be introduced to tackle the spread of the new strain.
66. On 30 December the Medicines and Healthcare Regulatory Authority [authorised](#) the use of Oxford University/AstraZeneca's Covid-19 vaccine. The UK has ordered 100 million doses of the vaccine; enough to vaccinate 50 million people with two doses. Joint [advice](#) from the UK's four chief medical officers (CMOs) on the prioritisation for the first doses of the vaccine has also been published. The advice notes the Joint Committee on Vaccination & Immunisation (JCVI) has [recommended](#) that as many people on the JCVI priority list as possible should be offered a first vaccine dose as the initial priority and the second dose of both the Pfizer/BioNTech and the Oxford/AstraZeneca vaccines be given up to 12 weeks after the first dose.
67. On 4 January the First Minister announced that mainland Scotland would go back into a full lockdown, with exemptions only for essential purposes. Island communities will remain at Level 3 and will be outside the new lockdown. Schools and nurseries, including those in island communities, will also stay closed.
68. On 8 January the UK and Scottish governments announced that passengers arriving from abroad will be [required](#) to have proof of a negative Covid-19 test taken a maximum of 72 hours before travel.
69. On 13 January the First Minister set out [further measures](#) to stop the spread of coronavirus and to limit non-essential contact. The new measures include strengthening working from home arrangements through updated statutory guidance, prohibiting non-essential click and collect services, only allowing essential work inside people's homes and banning the consumption of alcohol in public places.
70. On 18 January the Scottish Government [confirmed](#) that all country exemptions from self-isolation after international travel have been suspended. All passengers travelling to Scotland from outside the common travel area will be required to isolate for ten days on return and must also have a valid negative Covid-19 test result taken no more than three days before the scheduled time of departure. It remains the case that travel to or from Scotland without a reasonable excuse is not permitted, while limited exemptions for essential purposes will be maintained but the list of sectoral restrictions will be tightened.
71. On 19 January the First Minister [confirmed](#) current lockdown restrictions will remain in place across mainland Scotland until at least the middle of February. In addition, [Barra and Vatersay](#) moved into lockdown following a sharp increase in infection rates, while the rest of Comhairle nan Eilean Siar will remain in Level 3. Schools will continue to use remote learning until at least the middle of February except in the case of vulnerable children and those of key workers.
72. On 21 January the Scottish Government [announced](#) it is launching a new campaign encouraging people to get vaccinated for Covid-19 as soon as they are eligible. The 'Roll your sleeves up' campaign will emphasise the importance of the vaccine and its safety, as well as including details of the prioritisation list set out by JCVI, and will run until the end of March on TV, radio, press, outdoor and digital channels.
73. On 29 January the Scottish Government [confirmed](#) that people aged 70 and over will get Covid-19 vaccines in a range of settings, from community centres to mass vaccination centres, from 1 February as the vaccination programme moves to the next stage.

74. On 29 January the Scottish Government [announced](#) that, due to an increase in prevalence of Covid-19 and an increase in infection rates, Na h-Eileanan Siar will move to Level 4 on 30 January.

Other matters

75. On 16 December the Scottish Government published its [update](#) to the climate change plan 2018-32 as well as a consultation on the draft [public engagement strategy](#) for climate change, which closes on 17 March 2021. The update includes policies such as the launch of a £180 million emerging energy technologies fund; £120 million for zero emissions buses; £50 million to support the creation of active freeways; £50 million to transform vacant and derelict land; reducing the number of kilometres travelled by car by 20 per cent by 2030; creating one million zero-emissions homes by 2030; and a waste route map to 2030 and beyond. The Commission agreed its approach to auditing climate change matters at its last meeting. It is proposed that the Commission does not respond to the consultation, but to note that the audit team will be considering engagement matters as they develop the Commission's approach.
76. On 21 December Joe Fitzpatrick MSP resigned as Minister for Public Health. Angela Constance MSP was appointed as Minister for Drugs Policy. There was also mini reshuffle of some Scottish Government posts -
- Mairi Gougeon MSP took on the public health and sport role, with responsibility for Coronavirus (Covid-19) testing across Scotland.
 - Ben Macpherson MSP was appointed Minister for Rural Affairs and the Natural Environment.
 - Minister for Trade, Investment and Innovation will take on additional responsibilities for supporting Finance Secretary Kate Forbes as the Scottish Government prepares to publish its Budget.
 - Minister for Europe and International Development Jenny Gilruth is to take on responsibility for Migration.
77. On 22 December the First Minister's National Advisory Council on Women & Girls published its 2020 [report](#) with recommendations on how to identify and implement systemic infrastructure changes deemed necessary to establish processes for gender equality. Audit Scotland and the Accounts Commission were mentioned.
78. On 7 January the Scottish Government provided an [update](#) to its consultation on Scottish public authorities sharing data. A published response from Audit Scotland is included.
79. On 13 January the Citizens' Assembly published its [recommendations and vision](#) for Scotland's future. During its meetings, the Assembly considered questions such as how Scotland would be able to address future challenges and what work could allow the country to make more informed choices. The Assembly agreed Scotland should be a world leader in innovation by investing in jobs and development to promote growth. The report calls for an improved standard of living with a realistic living wage, while barriers should be removed for education, employment, and housing. The Assembly calls for a simplified tax system that is transparent, with measures to prevent tax avoidance and incentivises the adoption of green values. The report also highlights the need for a 'House of Citizens' to scrutinise government and to give assent to parliamentary bills.
80. On 20 January the Scottish Government published a [policy note](#) clarifying expectations

with respect to climate and circular economy considerations. It notes that public bodies should use their public procurement spend to support climate and circular economy ambitions.

81. On 24 January the Third Sector Interface Scotland Network [published](#) the results of its Coronavirus Survey. 81 per cent of social enterprises are experiencing a reduction in income from trading and 86 per cent of social enterprises expect their financial position to worsen.
82. On 28 January the Scottish Government sent out details ([which can be found on the members SharePoint site](#)) of the further amendments made to the high level protocol on the application of terms and conditions of employment during the Coronavirus outbreak. These changes have been agreed with the trade unions and reflect the 'stay at home' guidance that took effect from 5 January 2021.

Scottish Parliament

83. On 22 December the UK Withdrawal from the European Union (Continuity) (Scotland) Bill was [agreed](#). The bill will allow the Scottish Government to align devolved Scottish law with EU legislation and includes provisions to ensure the continuation of guiding principles on the environment. It also establishes a new oversight body, Environmental Standards Scotland, to replace the system of environmental governance used in the EU.
84. On 11 January Michelle Ballantyne MSP was appointed as [leader of Reform UK](#), in Scotland.
85. On 12 January SPICe published two briefings on the update to the climate change plan – [background information and key issues](#) and [key sectors](#).
86. On 14 January Richard Leonard MSP [resigned](#) as leader of Scottish Labour with immediate effect. Jackie Baillie MSP is taking charge of the party on an interim basis.
87. On 27 January the Scottish Parliament Information Centre (SPICe) published a [briefing](#) on the labour market update for January.
88. On 29 January the Scottish Parliament Information Centre (SPICe) published a [taxes infographic](#) on the Scottish Budget 2021-22.

Parliamentary Committee News

Public Audit and Post Legislative Scrutiny Committee

89. In December the Committee took evidence from Stephen Boyle, Auditor General for Scotland and Audit Scotland on the following reports:
 - [section 22 report on the 2019/20 audit of NHS Tayside](#)
 - [section 22 report on the 2019/20 audit of Social Security Scotland](#)
 - [section 22 report on the 2019/20 audit of the Scottish Police Authority](#)
90. In January the Committee took evidence from Stephen Boyle, Auditor General for Scotland and Audit Scotland on the following reports:
 - [section 22 report on the 2019/20 audit of the Scottish Government](#)

Consolidated Accounts.

- [section 22 report on the 2019/20 audit of Scottish Water](#)

91. On 14 January the Committee [wrote](#) to Stephen Boyle, Auditor General for Scotland, to provide feedback on the Auditor General for Scotland's strategic audit priorities and longer-term work programme.

Local Government and Communities Committee

92. In December and January, the Committee took evidence on, amongst other items:

- [parts 3 and 5 of the of the Community Empowerment \(Scotland\) Act 2015.](#)
- the [Update to the Climate Change Plan: 2018-2032.](#)

93. On 15 January the Minister for Housing [wrote](#) to the Committee to advise members that a wider look at the operation of the property factor sector is needed to promote an ongoing improvement in standards. Work on the modification order as mentioned in [correspondence](#) from the Minister for Housing to the Committee on 7 December will be incorporated in to wider policy development on property factors going forward.

94. On 22 January the Committee published its Stage 1 [report](#) on the European Charter of Local Self-Government (Incorporation) (Scotland) Bill. The committee supports the general principles of the legislation and suggests incorporating the charter into Scots law would help protect councils' resources and autonomy and make the devolution of decision-making to local government more achievable. Audit Scotland and the Auditor General are referenced.

95. On 28 January the Cabinet Secretary for Communities [wrote](#) to the Committee after giving evidence to its post-legislative scrutiny of parts three and five of the Community Empowerment Act (Scotland) 2015. The letter includes details on the newly established National Asset Transfer Action Group. Audit Scotland is represented on this group. The letter also includes information about Arm's Length Executive Organisations (ALEOs) and the challenges relating to the asset transfer application process.

96. On 29 January Aileen Campbell, Cabinet Secretary for Communities and Local Government [wrote](#) to the Committee to outline commitments made in the 2021-22 budget. The letter states that the £11.6 billion settlement provides a increase in day to day spending for local revenue services of £335.6 million (equivalent to a 3.1 per cent increase). A further £259 million of non-recurring Covid-19 consequentials for 2021-22 was also confirmed. The letter highlights funding increases across a range of budget areas, including Social Justice, which has increased by £11.4 million to £40.8 million. Regeneration funding has also increased by £34.1 million to £81.5 million.

Finance and Constitution Committee

97. On 7 December the Committee published its pre-budget scrutiny [report](#). It concluded that HM Treasury should consider greater access to borrowing for devolved governments during times of national emergency. The report says the Fiscal Framework has protected Scotland's budget from a UK-wide economic shock this year. But an imbalance has resulted in the Scottish Government being dependent on policy decisions at a UK level when determining its own Covid-19 related policies. Audit Scotland was mentioned.

98. In January the Committee took evidence on:

- the [Scottish Parliamentary Corporate Body \(SPCB\) 2021-22 budget submission](#).
- the [replacement of EU Structural Funds](#).
- [the Office for Budget Responsibility's UK economic and fiscal outlook](#).

Covid-19 Committee

99. In December and January, the Committee took evidence from:
- the Deputy First Minister and Cabinet Secretary for Education and Skills on the [Scottish Government's preparedness for key issues that lie ahead in its response to Covid-19 during the winter months](#).
 - the [Covid-19 vaccination programme](#).
 - subordinate legislation.

Other committees

100. On 21 January the Justice Committee published its Stage 1 [report](#) of the Domestic Abuse (Protection) (Scotland) Bill. The committee backed the underlying principles of the bill but warned serious practical considerations highlighted during its scrutiny need to be addressed.
101. On 28 January the Education & Skills Committee has published submissions from organisations on the [return of students after the Christmas break](#). Audit Scotland was mentioned in the [UCU](#) submission.
102. On 28 January Clare Haughey, Minister for Mental Health [wrote](#) to the Health & Sport Committee to provide an update on work being undertaken to support the mental health and wellbeing of health and social care staff during the pandemic.

Local government news

103. On 2 January Citizens Advice Scotland warned that the [pandemic will force a significant number of people to be unable to pay their Council Tax](#). Council tax debt is currently the number one debt issue the Citizens Advice Bureau network sees. Analysis of figures for 2019/20 reveals that 2,257 people sought help from the Citizens Advice network with a complex debt issue involving council tax, owing a cumulative £6.8m in council tax arrears. The average debt owed was more than £3,000 – almost three times the average council tax bill of £1,201.
104. On 7 January it was reported that [Fife Council](#) is facing an £11 million budget shortfall due to the impact of Covid.

Public policy news

105. On 16 December the Fraser of Allander Institute published a [report](#) on the Scottish Budget. The report predicts the Scottish Government will receive £1.3 billion from the UK Government in relation to Covid-19. The report calls for greater funding certainty and flexibility for Scotland through enhanced intergovernmental coordination on funding decisions and an extension of the guaranteed funding approach. The report also highlights the impact of uncertainty around the trade deal with the EU and the upcoming Scottish elections.
106. On 18 December the Scottish Council for Development and Industry (SCDI) published

an [‘Election 2021’ briefing](#). This report pulls together the headline recommendations from their recent reports ahead of the election in May. This briefing has been uploaded to the publications of interest folder on the [members SharePoint site](#).

107. On 18 December Health and Social Care Scotland published a [report for the independent review of adult social care](#), which is saved in the publications of interest folder on the [members SharePoint site](#). The report sets out IJB progress to date, key strategic priorities identified by the IJB Network, and outlines actions and opportunities for IJBs to progress. The report sets out how the existing governance, structural and community facing aspects of IJB’s have been effective but also shows some areas where there is opportunity to improve.
108. On 13 January Scottish Enterprise published [statistics](#) on the Scottish economy. The briefing outlines facts on employment levels, industry sectors, business growth, levels of innovation and exports.
109. On 18 January Martyn Evans was appointed as the new [chair of the Scottish Police Authority](#) (SPA). Mr Evans was previously the chief executive of Carnegie UK Trust.
110. On 18 January Karen Meechan was appointed as the [Interim chief executive of digital industry body ScotlandIS](#). Ms Meechan currently serves as ScotlandIS’s chief operating officer.
111. On 27 January the Scottish Council for Development & Industry (SCDI) published a new [report](#) which urges the Scottish Government to invest in data, digital and technology to help Scotland recover from Covid-19, transform health and social care and boost the economy. The report calls for greater investment to prepare for future public health challenges. It estimates that Scotland’s health and social care data could be worth £800 million every year and could be harnessed to deliver £5.4 billion in savings, which is 38 per cent of NHS Scotland’s current budget. It identifies four key priorities for long-term, strategic investment: strategy, culture and leadership, skills and infrastructure.

COSLA

112. On 16 December COSLA published a [report](#) that outlines what they would like to be included in the Scottish budget. This report also refers to the 2020 Local Government Overview. This report has been uploaded to the publications of interest folder on the [members SharePoint site](#).
113. On 12 January COSLA published details on the [Community Choices 1% Framework Agreement](#). COSLA and Scottish Government worked together to develop and agree the framework through which at least 1 per cent of local government budgets will be subject to participatory budgeting by the end of 2021.
114. On 18 January COSLA [published](#) the first in a series of briefing papers prepared by the National Joint Investigative Interviewing (JII) Team, in partnership with Lanarkshire and North Strathclyde JII Pilots. The topic of this briefing paper is the emerging learning from the pilot sites in preparing for installation of the new model of joint investigative interviewing.
115. On 26 January COSLA issued a [news release](#) in response to the publication of the Accounts Commission’s [Local government in Scotland: Financial overview 2019/20 report](#).

Improvement Service

116. On 28 January the Improvement Service published the 6th annual report of

the [Common Advice Performance Management Reporting Framework](#) (CAPMRF). This report measures key performance indicators for welfare and money advice services funded by Scottish Local Authorities on both an in-house and commissioned basis.

117. On 28 December the Improvement Service published an [Elected Members Briefing on 20 minute neighbourhoods](#). It explains the key benefits of this living local ambition and how it will apply across all of Scotland, from remote rural communities to towns and cities.
118. On 28 January the Improvement Service received a [grant](#) award from Smarter Choices, Smarter Places; Paths for All's programme to increase active and sustainable travel throughout Scotland. The programme is funded by Transport Scotland.

Scrutiny, inspection, regulatory and related bodies

Scottish Public Ombudsman (SPSO)

119. The [SPSO's Newsletter – January](#) outlines investigation reports, recent SPSO news and highlights emerging issues. More information on the SPSO's work, including detailed investigations and decision reports, is available on the [Our findings](#) webpage. The Commission's Financial Audit and Assurance Committee will consider more detailed intelligence from the SPSO on a six-monthly basis at its next meeting.

Scottish Housing Regulator (SHR)

120. On 21 December the SHR published [November's monthly dashboard report](#). This report is designed to help the Scottish Government and social landlords to understand the impact of Covid-19 and to support the work of the Social Housing Resilience Group. November's dashboard shows that aggregate rent arrears have risen to their highest level since SHR started collecting monthly returns from social landlords in April. Arrears for Registered Social Landlords have fallen to their lowest level since April.

Other UK audit bodies

121. On 16 December the Northern Ireland Audit Office (NIAO) published the Local Government [Auditor's Report](#) for 2020, including the audit of 11 Northern Ireland councils' financial statements for 2018-19.
122. On 11 January the NIAO Comptroller & Auditor General, Kieran Donnelly, published a [blog](#) identifying the key fraud risks presented by the pandemic.
123. On 14 January the Jersey Audit Office published its [audit plan](#) for 2021.
124. On 22 January the National Audit Office (NAO) published a [report](#) on the administration of Welsh income tax for 2019-20, conducted as part of its statutory responsibility to audit HMRC's operation of the UK tax system. The report covers the HMRC's estimate of the 2019-20 income tax revenue attributable to Wales and the cost of administering Welsh income tax
125. On 27 January the NAO published a 2019-20 [departmental overview](#) of the Department for Business, Energy & Industrial Strategy. This contains a summary of its spending in 2019-20, its major areas of activity and performance, and challenges it is likely to face in the coming year, based on insights from financial audit and value for money work.

UK Government

126. On 17 December the Chancellor announced that the [furlough scheme](#) would be

extended by one month, to April 2021.

127. On 17 December the Chancellor confirmed that the [UK budget](#) will take place on Wednesday 3 March.
128. On 18 December the UK Government [announced](#) councils across England will receive £51.2 billion next year. Representing an increase of £2.2 billion, the funding includes a £1bn increase for social care to support councils in meeting rising demand. £1.55 billion of un-ringfenced funding will be allocated to maintain support for communities and promote recovery in local areas. £670 million has also been confirmed to help councils continue to reduce council tax bills for those least able to pay.
129. On 24 December Prime Minister Boris Johnson gave a [statement](#) on the outcome of negotiations with the EU, which saw the UK and EU agree a [Trade and Cooperation Agreement](#).
130. On 31 December the UK left the EU Single Market and Customs Union.
131. On 8 January former UK Government Business Secretary, Alok Sharma MP, was appointed as the full-time [president for COP26](#). The climate change summit is set to take place in Glasgow in November, having been delayed for a year due to the coronavirus pandemic.
132. On 15 January the Ministry of Housing, Communities & Local Government published [statistics](#) indicating 35,710 homes were started in July to September 2020, a 111 per cent increase on the previous quarter, and 45,000 homes were completed, representing a 185 per cent increase.
133. On 19 January the Prime Minister [launched](#) the Build Back Better Council to assist with the economic recovery from Covid-19 and future growth plans. The council will comprise 30 members representing industries including retail and hospitality, finance, science, and technology, and will serve for a term of 12 months.
134. On 20 January the UK Government [announced](#) up to £23 million to support businesses affected by new requirements for exporting. The fund will be targeted at fishing export businesses that can prove a genuine loss in exporting fish and shellfish to the EU. Support will be available immediately and paid retrospectively to cover losses incurred since Friday 1 January. The scheme will be targeted at small and medium enterprises and the maximum claim available to individual operators will be £100,000.

Conclusion

135. The Commission is invited to:
 - a) to consider and note this report
 - b) in particular to agree not to respond to the Scottish Government consultation on the draft public engagement strategy for climate change, and to note that the audit team will be considering engagement matters as they develop the Commission's approach (paragraph 75)

Paul Reilly
Secretary to the Commission
3 February 2020

APPENDIX 1: Accounts Commission reports in past 12 months – downloads

Report	Date	Report downloads	Podcast downloads
Housing Benefit Performance audit: annual update 2020	8 Dec 20	71(n/a)	n/a
Best Value Assurance Report: The City of Edinburgh Council	26 Nov 20	595 (+258)	n/a
Covid-19 Strategic Scrutiny Group	5 Nov 20	419 (n/a)	n/a
Best Value Assurance Report: Aberdeenshire Council	22 Oct 20	547 (+58)	n/a
Best Value Assurance Report: Dundee City Council	29 Sept 20	715 (+63)	n/a
Best Value Assurance Report: Moray Council	27 Aug 20	1,221 (+58)	n/a
Accounts Commission annual report 2019/20	2 July 20	332 (*)	n/a
Best Value Assurance Report: North Ayrshire Council	30 June 20	883 (*)	n/a
Local government in Scotland Overview 2020	23 June 20	1,347 (+125)	n/a
Equal pay in councils - Impact report	9 June 20	579 (*)	n/a
Best Value Assurance Report: Argyll and Bute Council	21 May 20	876 (*)	n/a
Affordable housing	9 April 20	2,279 (+209)	n/a
The 2018/19 audit of Renfrewshire Council: Report on accounts closure	24 Mar 20	272 (*)	n/a
Early learning and childcare: follow-up	3 Mar 20	2,331 (+141)	149 (*)
2018/19 audit of Fife IJB	27 Feb 20	459 (*)	n/a
2018/19 audit of Glasgow City Council: Update on equal pay settlement	6 Feb 20	477 (+75)	n/a
Privately financed infrastructure investment	28 Jan 20	1,836 (+121)	216 (*)
Highland Council: Best Value Assurance Report	23 Jan 20	1,730 (*)	365 (*)
Scotland's City Region and Growth Deals	16 Jan 20	2,681 (+86)	178 (*)
Scotland's City Region and Growth Deals - Supplement	16 Jan 20	306 (*)	n/a

Key:

- (x) Increase in numbers since last month
- * This figure is below 30
- n/a Not applicable.

APPENDIX 2 – Accounts Commission social media engagement data

	Followers	Posting views	Video views	Links accessed	Retweets	Likes	Replies
Jan '21	638 (+30)	50,000	2,400	128	94	103	9
Feb '20	503 (+12)	12,500	11	56	52	25	1
Mar '20	520 (+17)	13,100	11	29	129	23	1
Apr '20	526 (+6)	3,400	1	7	4	2	1
May '20	539 (+13)	7,700	177	135	14	43	0
Jun '20	561 (+22)	5,000	1,900	53	24	45	2
Jul '20	583 (+22)	12,600	408	19	30	86	4
Aug '20	590 (+7)	7,100	129	27	18	18	0
Sep '20	605 (+15)	9,700	607	82	35	46	2
Oct '20	617 (+12)	10,700	526	34	26	34	0
Nov '20	639 (+22)	23,400	730	106	49	53	3
Dec '20	653 (+24)	26,400	646	46	34	47	0

increase on previous month shown in brackets

MEETING: 11 FEBRUARY 2021

REPORT BY: INTERIM CHAIR OF ACCOUNTS COMMISSION

INTERIM CHAIR'S UPDATE REPORT

Purpose

1. This report provides an update on the engagements and work of the Interim Chair of the Accounts Commission.

Engagement and Audit Scotland business

2. The engagements and work in the period from 1 to 31 January have been as follows:

Audit Scotland Board and Committee meetings

- 27 January – Audit Scotland Board Meeting. The main items of substance discussed were our Governance arrangements; Strategic improvement programme update; a Covid-19 update; Scottish Commission for Public Audit: Official report; an update on the EU Withdrawal; the New Audit Appointments project and the records management plan 2021-2026. Copies of the key papers have been loaded onto the Commission's SharePoint site and brought to members attention.

Audit Scotland engagement

- 6, 18, 26 & 28 January – Catch up with Stephen Boyle, Auditor General for Scotland and Accountable Officer, Audit Scotland
- 7 January – Catch up with Diane McGiffen, Chief Operating Officer, and Martin Walker, Associate Director, Corporate Performance and Risk, on the Strategic Improvement Programme
- 12 & 27 January – Catch up with Elaine Boyd, Associate Director, Audit Quality and Appointments
- 13 January – New Audit Appointments Steering Group meeting
- 18 & 21 January – Catch ups with Fraser McKinlay, Controller of Audit
- 25 January – Catch up with Fiona Kordiak, Director of Audit Services
- 27 January – Catch up with David Blattman, HR & OD Manager.

External engagement

- 11 January – Introductory meeting with Sylvia Douglas, Founder and CEO of MsMrsMiss to discuss insight session with members on 11 February
- 12 January – Joint Strategic Scrutiny Group and Shared Intelligence Group meeting with Sarah Gadsden, Chief Executive, Improvement Service, Alastair McLellan, Joint Chair of SIG and Co-Lead for Quality, Simon Watson, Joint Chair of SIG and Medical Director, Healthcare Improvement Scotland, Gemma Diamond and Mark Roberts, Strategic Scrutiny Group Secretaries, Leigh

Johnston, Senior Audit Manager, and Donald Morrison, Healthcare Improvement Scotland

- 15 January – Best Value Engagement with Council Directors of Finance with Tim McKay, Interim Deputy Chair, and Fiona Mitchell-Knight, Audit Director, Audit Services
- 18 January – Introductory meeting with Norma Austin Hart, Chief Executive, Third Sector Interface Dumfries & Galloway to discuss insight session with members on 11 February
- 19 January – Sabir Zazai, Chief Executive, Scottish Refugee Council to discuss insight session with members on 11 February
- 25 January – Introductory meeting with Brian McNulty, Chair of Strategic Operational Group and Gemma Diamond, Strategic Scrutiny Group Secretary.

Commission business, development and support

3. Commission business has been as follows:

- Weekly catch ups with Paul Reilly, Secretary to the Commission, and Jillian Elgin, Executive Assistant
- 6 January – Preparatory meeting for January Commission meeting with Fraser McKinlay and Tim McKay
- 7 January & 28 January – Best Value Working Group meeting. Updates are shared with Commission members at each monthly Commission meeting as a standing item on our agenda
- 11 January – Strategic Scrutiny Group catch up with Gemma Diamond and Mark Roberts, Strategic Scrutiny Group Secretaries
- 13 January – Forward planning meeting with Tim McKay and Paul Reilly
- 13 January – Accounts Commission pre meeting with Commission members
- 14 January – Accounts Commission first meeting in January
- 14 January – Commission Insight session with members
- 14 January – Private members meeting with Stephen Boyle, Audit Scotland Accountable Officer
- 20 January – Catch up with Tim McKay
- 20 January – Risk Overview meeting with Tim McKay and Paul Reilly
- 20 January – Paul Reilly, Peter Worsdale, Craig Flannigan and Joanna Mansell, Communications Team, to discuss Accounts Commission communications, engagement, and public profile
- 20 January – Catch up with Joanna Mansell, Communications Team, on media preparation for Local Government Financial Overview report
- 28 January – Accounts Commission second meeting in January
- 28 January – Action Tracker review meeting with Tim McKay, Interim Deputy Chair, Jillian Elgin and Lucy Carter, who both provide support to the Commission.

4. Other areas of work have included:

- Video and media to support the publication of the Financial Local Government Overview report

- Review of content and video to support the publication of the Commission e-newsletter.

Forthcoming activities

5. My forthcoming engagement activities include:

- Weekly catch ups with Paul Reilly, Secretary to the Commission, and Jillian Elgin, Executive Assistant
- 1 February – Catch up with David Blattman, HR & OD Manager
- 1 February – Engagement and Roundtable discussion with Paul Reilly, Commission Secretary, and Antony Clark, Gemma Diamond and Mark Roberts, Audit Directors
- 3 February – Preparatory meeting for February Commission meeting with Paul Reilly and Tim McKay
- 4 February – Catch up with Commission Support Team, Paul Reilly, Lucy Carter, Jillian Elgin and Erin Lee
- 4 February – Best Value in Integration Joint Boards with Peter MacLeod, Chief Executive, Care Inspectorate and Robbie Pearson, Chief Executive, Healthcare Improvement Scotland
- 8 February – National Taskforce for Human Rights meeting with Alan Miller
- 10 February – Accounts Commission pre meeting
- 10 February – Monthly sponsor catch ups with Tim McKay and Local Government Overview team to discuss the approach, timing and emerging messages for the Local Government Overview
- 10 February – Audit Scotland Corporate Governance Review meeting with Gayle Fitzpatrick, Corporate Governance Manager
- 11 February – Members meeting with Mr Kevin Stewart MSP, Minister for Local Government
- 11 February – Accounts Commission meeting
- 11 February – Accounts Commission insight session.

Conclusion

6. The Commission is invited to:

- a) note this report and enquire about any areas of interest
- b) consider whether there are any changes that they would wish to see to the format and content of the report for the future.

Elma Murray
Interim Chair
2 February 2021